

ASX Announcement (ASX: PRY)

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27 August 2018

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RETAIL ENTITLEMENT OFFER INFORMATION BOOKLET

As previously announced, Primary Health Care Limited (ASX: PRY) will despatch the Retail Information Booklet to retail shareholders today. A copy of the Retail Information Booklet to be despatched is attached.

Retail Investor Enquiries

For further information in regard to the Retail Entitlement Offer, please contact the Primary Health Care Limited Entitlement Offer Information Line on 1300 850 505 (within Australia) or on +61 3 9415 4000 (outside Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

ENDS

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About Primary: For over 30 years, Primary Health Care has been one of Australia's leading listed healthcare companies with a commitment to supporting quality, affordable and accessible healthcare for all Australians. Through an expansive network of multi-disciplinary medical centres, pathology laboratories and diagnostic imaging centres, Primary provides world class facilities and support services to independent GPs, radiologists, specialists and other healthcare practitioners, enabling them to deliver quality care to patients in partnership with Primary's pathologists, nurses and other employees. Primary's 'medical home' model makes healthcare services easily accessible and cost efficient, while enabling the coordination and continuity of patient care.

Important information

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

Not for release or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this announcement nor anything attached to this announcement shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the new shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be exercised or taken up by, and the new shares may not be offered or sold, directly or indirectly, to persons in the United States unless they have been registered under the U.S. Securities Act (which Primary has no intention or obligation to do or procure) or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

Forward-looking Statements

You should note that this announcement may contain certain "forward-looking statements", including but not limited to Primary's future financial performance and outlook, and that such forward-looking statements are provided for illustrative purposes only and are not indicative of Primary's actual performance for the relevant period; are based on assumptions and contingencies that are subject to change and involve known and unknown risks and uncertainties and other factors that are beyond the control of Primary and may not be reliably predictable; and should not be relied upon as an indication or guarantee of future performance, and that actual results, performance and achievements may differ materially from those expressed or implied in such forward-looking statements and any assumptions on which these statements are based.



Primary Health Care Limited

ACN 064 530 516

RETAIL ENTITLEMENT OFFER

Details of a 1 for 5.21 accelerated non-renounceable pro rata entitlement offer of new Primary Shares at an offer price of \$2.50 per new Primary Share.

The Entitlement Offer is underwritten.

Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 7 September 2018

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This is an important document which is accompanied by an Entitlement and Acceptance Form. If you are an Eligible Retail Shareholder, you should read both in full. This Retail Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. If you have any doubt about whether you should participate in the Retail Entitlement Offer, you should seek professional advice from a licensed advisor before making any investment decision. You can also contact the Primary Health Care Limited Entitlement Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday during the Retail Entitlement Offer Period if you have any questions about the details of the Retail Entitlement Offer.



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Important Information

This Retail Information Booklet (other than the Announcements) is dated 27 August 2018.

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73). This Retail Information Booklet does not contain all of the information which an Eligible Retail Shareholder may require to make an informed investment decision. This Retail Information Booklet is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.

The information in this Retail Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Retail Information Booklet should be read in full before you decide to participate in the Retail Entitlement Offer. You should also read and understand the information on Primary and the Retail Entitlement Offer made publicly available by Primary, before deciding to participate. In particular, please refer to the enclosed materials and Announcements, Primary's interim and annual reports and other announcements made available at www.asx.com.au.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Information Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Information Booklet.

Future performance

This Retail Information Booklet contains certain "forward-looking statements", including Primary's expectations about the performance of its business. The words "forecast", "estimate", "likely", "anticipate", "believe", "expect", "project", "opinion", "predict", "outlook", "guidance", "intend", "should", "could", "may", "target", "plan", "project", "consider", "forecast", "aim", "will" and similar expressions are intended to identify such forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. While due care and attention has been used in the preparation of any forward-looking statements, any such statements in this Retail Information Booklet are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates.

Any forward-looking statements contained in this Retail Information Booklet are not guarantees or predictions of future performance and involve known and unknown risks, contingencies and uncertainties and other factors, many of which are beyond the control of Primary, and may involve significant elements of subjective judgment and assumptions as to future events, which may or may not be correct and therefore you are cautioned not to place undue reliance on such information. Refer to the "Key Risks" section of the Investor Presentation for a non-exhaustive summary of certain general and company-specific risk factors that may affect Primary.

Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which such statements are based, as may statements about market or industry trends, which are based on interpretations of current market conditions. Eligible Retail Shareholders should consider any forward-looking statements contained in this Retail Information Booklet in light of those risks and disclosures. Any forward-looking statements are based on information available to Primary as at the date of this Retail Information Booklet.

Except as required by law or regulation (including the ASX Listing Rules), Primary disclaims any obligation and makes no undertaking to provide any additional or updated information whether as a result of new information, future events or results or otherwise, or to reflect any change in expectations or assumptions.

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Past performance

Past performance and pro-forma historical information in this Retail Information Booklet is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Primary performance. The historical information in this Retail Information Booklet is, or is based upon, information that has been released to ASX.

Not for distribution outside Australia and New Zealand

This Retail Information Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person holds Primary Shares and is acting for the account or benefit of a person in the United States), or any other jurisdiction in which, or to any person to whom, such offer would be illegal. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States.

The Retail Entitlements may not be taken up by, and the New Shares may not be offered or sold to, any person in the United States or any person that is, or is acting for the account or benefit of, any person in the United States (to the extent such person holds Primary Shares and is acting for the account or benefit of a person in the United States) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

This Retail Information Booklet may not be released or distributed in the United States. The distribution of this Retail Information Booklet in other jurisdictions outside Australia and New Zealand may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Risks

An investment in Primary Shares is subject to known and unknown risks, some of which are beyond the control of Primary, including possible loss of income and principal invested. Primary does not guarantee any particular rate of return or the performance of Primary nor does it guarantee the repayment or maintenance of capital or any particular tax treatment. Refer to the "Key Risks" section of the Investor Presentation included in Section 5 of this Retail Information Booklet for a summary of general and specific risk factors that may affect Primary.

Definitions and time

Defined terms used in this Retail Information Booklet are contained in the Glossary. All references to time are to Australian Eastern Standard Time (AEST), unless otherwise indicated.

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 6 provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Primary recommends that you consult your professional tax advisor in connection with the Retail Entitlement Offer.

Other general matters

Please read carefully Section 7 of this Retail Information Booklet for other important notices, disclaimers and acknowledgements.

Summary of Entitlement Offer and Key Dates

Summary of Entitlement Offer

Ratio	1 New Share for every 5.21 Primary Shares held on the Record Date
Offer Price	\$2.50 per New Share
Number of New Shares to be issued	Approximately 100 million New Shares
Gross proceeds	Approximately \$250 million

Key Dates

EVENT	DATE
Announcement of the Entitlement Offer	20 August 2018
Record Date for determining eligibility for the Retail Entitlement Offer (7.00pm)	22 August 2018
Retail Information Booklet lodged with ASX	27 August 2018
Despatch of Retail Information Booklets and Entitlement and Acceptance Forms to Eligible Retail Shareholders	27 August 2018
Retail Entitlement Offer opens	27 August 2018
New Shares under the Institutional Entitlement Offer are issued and commence trading on ASX on a normal settlement basis	29 August 2018
Retail Entitlement Offer closes (5.00pm)	7 September 2018
Issue of New Shares under the Retail Entitlement Offer	14 September 2018
New Shares issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	17 September 2018
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	18 September 2018

These dates are indicative only and are subject to change without notice. All references to time are to Australian Eastern Standard Time (AEST). Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Primary has the right, with the consent of the Underwriters, to amend the timetable. In particular, Primary reserves the right to extend the Retail Closing Date, to accept late Applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the Retail Closing Date will have a consequential effect on the Issue Date.

The quotation of New Shares is subject to confirmation from the ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

Enquiries

If you have any doubt about whether you should participate in the Retail Entitlement Offer, you should seek professional advice from a licensed advisor before making any investment decision. If you have questions on how to complete the Entitlement and Acceptance Form or how to take up your Retail Entitlement, or have lost your Entitlement and Acceptance Form and would like a replacement form, please call the Primary Health Care Limited Entitlement Offer Information Line on 1300 850 505 (within Australia) or on +61 3 9415 4000 (outside Australia) at any time from 8.30am to 5.00pm Monday to Friday during the Retail Entitlement Offer Period. A replacement Entitlement and Acceptance Form can also be accessed online by following the Entitlement Offer website link at www.primaryhealthcare.com.au.

Chairman's Letter

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Monday, 27 August 2018

Dear Shareholder,

This is a very exciting time for Primary and for me personally, as I take on the role of Chair of this great company.

Primary has a unique network of large scale multi-disciplinary medical centres, pathology laboratories and diagnostic imaging centres which are central to our integrated health services strategy. We play a vital role in the delivery of accessible care to Australians.

Since joining Primary last September Dr Malcolm Parmenter, our Managing Director and Chief Executive Officer, has introduced a new purpose, mission and values and led a detailed review of every aspect of the business. This has delivered a clear vision of where Primary is heading and what it will take to get us there.

We are committed to delivering excellence in healthcare and to maximising value creation for our shareholders by providing accessible, high-quality, consumer-centric services in frontline community care.

Our vision and commitment come at a time when the sector is going through a period of significant change. Increasingly consumers are demanding better ways of accessing healthcare when, where and how they want it, aided by technology. At the same time both the costs of, and demands for, care are growing.

Those who provide a solution which combines clinical excellence, outcomes-based care, and cost-effective consumer-friendly service within a community setting will succeed.

Primary intends to lead this charge and position itself at the forefront of the industry. To do so requires transitioning from a legacy operating model to one specifically engineered for today and the future.

On 20 August we announced our results for the year ending 30 June 2018 along with a capital raising program for \$250 million. Together with the free cash flow generated from the business, this capital will provide us with the financial flexibility to fund new and accelerated strategic growth initiatives to enable Primary to achieve its vision.

In our medical centre portfolio, the following initiatives will be implemented over the next three years to drive a substantial increase in GP capacity and patient services:

- ▶ Modernisation, improvement and extension to the current service offering at 52 medical centres;
- ▶ Implementation of a digital operating platform to support online appointments and drive significant operating efficiencies; and
- ▶ A multi-faceted people and recruitment strategy designed to establish Primary as a workplace of choice and attract and retain healthcare professionals.



Complementing the medical centre initiatives will be investment in technology for Pathology to modernise this business, providing a platform to support future growth.

Pathology will receive a new Laboratory Information System (**LIS**) that will be rolled out over the next five years, replacing the existing 25 year-old systems across all Primary's collection centres and laboratories, with a new single integrated platform. The new LIS will deliver many clinical and operational benefits, including improved pre-analytical accuracy and business intelligence, faster turn-around times and the ability to grow our market share in areas of higher margin complex testing.

LIS will complement the roll out of our new radiology information system and new picture archiving and communication solution in the imaging division, which will deliver substantial efficiencies and enhance the way the division interacts with referrers and their patients.

Within Primary's existing network, the new and accelerated strategic growth initiatives will collectively achieve a substantial improvement in patient capacity and service.

Primary expects that, on completion, these initiatives will deliver material operational and clinical benefits as well as a significantly enhanced financial performance with a target return on investment of greater than 15% from these projects.

Again, looking to the future needs of consumers, we are in exclusive negotiations to acquire an established, high-quality profitable operator of specialist day hospitals.¹ This potential acquisition provides opportunities for synergies, and when combined with Primary's five existing day surgery facilities, provides a scale platform to further grow Primary's non-Medicare funded revenues.

On behalf of the Primary Board, I invite you to consider this investment opportunity and thank you for your continued support.

Regards,



Robert Hubbard

Chairman

¹ The acquisition is not guaranteed to proceed and is subject to the negotiation of binding agreements and completion of due diligence. If binding agreements are entered into, they will likely be subject to a number of customary conditions precedent to closing.

Details of the Entitlement Offer

Primary has recently announced an underwritten 1 for 5.21 accelerated non-renounceable pro rata entitlement offer of new Primary ordinary shares (**New Shares**) at an offer price of \$2.50 per New Share (**Offer Price**) to raise approximately \$250 million (**Entitlement Offer**).

Proceeds from the Entitlement Offer will be used by Primary to fund strategic growth initiatives and a potential acquisition (if it proceeds), as further described in the ASX Announcement.

The Entitlement Offer comprises an institutional component to raise approximately \$157 (**Institutional Entitlement Offer**), and a retail component to raise approximately \$93 (**Retail Entitlement Offer**). The Entitlement Offer is underwritten.

The Institutional Entitlement Offer was successfully completed on Tuesday, 21 August 2018, receiving strong support from existing institutional shareholders. The Retail Entitlement Offer opens on Monday, 27 August 2018 and closes at 5.00pm on Friday, 7 September 2018.

The Entitlement Offer is non-renounceable and therefore Entitlements will not be tradeable on the ASX or any other exchange, or otherwise transferable. This means that Eligible Retail Shareholders (as defined in Section 1 of this Retail Information Booklet) who do not take up their Retail Entitlements will not receive any value for those Retail Entitlements and their proportionate interest in Primary will also be diluted.

Eligible Retail Shareholders are entitled to subscribe for 1 New Share at the Offer Price for every 5.21 existing ordinary shares in Primary (**Primary Shares**) held at 7.00pm on Wednesday, 22 August 2018 (**Record Date**) (**Retail Entitlement**).

The Offer Price of \$2.50 per New Share represents a discount of 17.8% to the theoretical ex-rights price (**TERP**) of Primary Shares of \$3.04² on 17 August 2018.

How to apply

Accompanying this Retail Information Booklet is your personalised Entitlement and Acceptance Form, which contains details of your Retail Entitlement and how to apply. You may also apply online at <https://primaryhealthcareretailoffer.thereachagency.com>.

To participate in the Retail Entitlement Offer, you need to ensure that you have paid your Application Monies by BPAY, or lodged your personalised Entitlement and Acceptance Form with your Application Monies paid by cheque, bank draft or money order, so that they are received before 5.00pm on Friday, 7 September 2018.

Further information

Further information on the Retail Entitlement Offer is detailed in this Retail Information Booklet. You should read this Retail Information Booklet in full before deciding whether to participate in the Retail Entitlement Offer. In particular, you should read and consider the risk factors outlined in the "Key Risks" section of the enclosed Investor Presentation.

For further information on the Entitlement Offer, please call the Primary Health Care Limited Entitlement Offer Information Line on 1300 850 505 (within Australia) or on +61 3 9415 4000 (outside Australia) at any time from 8.30am to 5.00pm Monday to Friday during the Retail Entitlement Offer Period. You can also go to Primary's website at www.primaryhealthcare.com.au.

² TERP is the theoretical price at which Primary Shares should trade immediately after the ex-date for the Entitlement Offer. The TERP calculation has been calculated on an ex-dividend basis to reflect that shares issued under the Entitlement Offer will not qualify for the FY18 dividend. TERP is a theoretical calculation only and the actual price at which Primary Shares traded immediately after the ex-date for the Entitlement Offer depended on many factors and may not have been equal to TERP.



Section 1: Who does this Retail Information Booklet apply to?

This Retail Information Booklet is important for people who meet all of the following requirements (referred to as “**Eligible Retail Shareholders**” in this Retail Information Booklet):

- ▶ you are registered as a holder of Primary Shares as at the Record Date, being 7.00pm on 22 August 2018; and
- ▶ you have a registered address on the Primary Share register in Australia or New Zealand; and
- ▶ you are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent you hold Primary Shares and are acting for the account or benefit of a person in the United States); and
- ▶ you did not receive an offer to participate (other than as a nominee) or were otherwise ineligible to participate under the Institutional Entitlement Offer; and
- ▶ you are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

If you are a retail Shareholder that is **not** an Eligible Retail Shareholder, then you are referred to as an “**Ineligible Retail Shareholder**” in this Retail Information Booklet.

To help you understand the terminology used in this Retail Information Booklet:

- ▶ references to ‘you’ are references to Eligible Retail Shareholders; and
- ▶ references to ‘your Retail Entitlement’ are references to the Retail Entitlements of Eligible Retail Shareholders; and
- ▶ references to ‘your Entitlement and Acceptance Form’ are references to the form of that name accompanying this Retail Information Booklet that you can use to take up your Retail Entitlement.



Section 2: Summary of your options

If you are an Eligible Retail Shareholder, you may take one of the following actions:

- ▶ take up all of your Retail Entitlement (Option 1);
- ▶ take up part of your Retail Entitlement and allow the balance to lapse, in which case you will receive no value for those lapsed Retail Entitlements (Option 2); or
- ▶ do nothing, in which case your Retail Entitlements will lapse and you will receive no value for those lapsed Retail Entitlements (Option 3).

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an Ineligible Retail Shareholder. Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer.

Option	Key considerations	Where to find more information about your options
Option 1: Take up all of your Retail Entitlement	<ul style="list-style-type: none"> ▶ To take up all of your Retail Entitlement, you need to complete and return your personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY pursuant to the instructions set out on the Entitlement and Acceptance Form or online at https://primaryhealthcareretailoffer.thereachagency.com. If you decide to submit your payment via BPAY you should instruct payment well before 5.00pm on the Retail Closing Date to enable its receipt by that time. If you decide to submit your payment by cheque, bank draft or money order, you must ensure that the payment (along with your personalised Entitlement and Acceptance Form) is received by no later than 5.00pm on the Retail Closing Date. ▶ New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Primary Shares, however, New Shares will not be entitled to the final FY18 dividend of 5.5 cents per share. 	Section 4.1
Option 2: Take up part of your Retail Entitlement and allow the balance to lapse, in which case you will receive no value for those lapsed Retail Entitlements	<ul style="list-style-type: none"> ▶ To take up part of your Retail Entitlement, you need to complete and return your personalised Entitlement and Acceptance Form (noting the number of New Shares you wish to take up) with the requisite Application Monies or pay your Application Monies via BPAY pursuant to the instructions set out on the Entitlement and Acceptance Form or online at https://primaryhealthcareretailoffer.thereachagency.com. If you decide to submit your payment via BPAY you should instruct payment well before 5.00pm on the Retail Closing Date to enable its receipt by that time. If you decide to submit your payment by cheque, bank draft or money order, you must ensure that the payment (along with your personalised Entitlement and Acceptance Form) is received by no later than 5.00pm on the Retail Closing Date. 	Section 4.2

Option	Key considerations	Where to find more information about your options
	<ul style="list-style-type: none"> ▶ Primary will treat you as applying for as many New Shares as your payment will pay for in full. ▶ The part of your Retail Entitlement not taken up will lapse and the New Shares not subscribed for will form part of the Retail Shortfall. ▶ If you do not take up your Retail Entitlement in full, you will receive no value for those Retail Entitlements not taken up. ▶ If you do not take up all of your Retail Entitlement, your proportionate interest in Primary will be diluted. ▶ Your Retail Entitlements are non-renounceable. This means they cannot be traded on ASX or any other exchange and cannot be privately transferred. 	
<p>Option 3: Do nothing, in which case your Retail Entitlement will lapse and you will receive no value for those lapsed Retail Entitlements</p>	<ul style="list-style-type: none"> ▶ If you do not take up your Retail Entitlement, you will not be issued New Shares and your Retail Entitlements will lapse. ▶ The New Shares not subscribed for will form part of the Retail Shortfall. ▶ Your Retail Entitlements are non-renounceable. This means they cannot be traded on ASX or any other exchange and cannot be privately transferred. ▶ If you do not take up your Retail Entitlement, you will receive no value for those Retail Entitlements. ▶ If you do not take up your Retail Entitlement, your proportionate holding in Primary will be diluted. 	<p>Section 4.3</p>

If you have any doubt about how you should deal with your Retail Entitlement, you should seek professional advice from a licensed advisor.

Section 3: Further information about the Retail Entitlement Offer

3.1. Your Retail Entitlement

Your Retail Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form. It has been calculated as 1 New Share for every 5.21 Primary Shares you held as at the Record Date, being 7.00pm on 22 August 2018, at the Offer Price of \$2.50 per New Share.³

If you have more than one holding of Primary Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Retail Entitlements for each separate holding. Note that the Retail Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Retail Entitlement you may be permitted to take up where, for example, you are holding Primary Shares on behalf of a person in the United States (see the definition of “Eligible Retail Shareholder” in Section 1).

3.2. Closing date

If you take up and pay for all or part of your Retail Entitlement before the Retail Closing Date, you will be issued your New Shares on 14 September 2018 (**Issue Date**).

New Shares issued under the Entitlement Offer will be fully paid and rank equally with Primary Shares from issue, however, New Shares will not be entitled to the final FY18 dividend of 5.5 cents per share.

3.3. Consequences of not accepting all or part of your Retail Entitlement

If you do not accept all or part of your Retail Entitlement in accordance with the instructions set out in this Retail Information Booklet, those New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been accepted) will be acquired by the Underwriters or any sub-underwriters.

By allowing your Retail Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Retail Entitlement and you will not receive any value for your Retail Entitlement. Your proportionate interest in Primary will also be diluted.

³ Where fractions arise in the calculation of a Retail Entitlement, the Retail Entitlement will be rounded up to the nearest whole number of New Shares.

3.4. Nominees

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Primary Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians which hold Primary Shares as nominees or custodians will have received, or will shortly receive, a letter from Primary. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- beneficiaries on whose behalf they hold Primary Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not); or
- Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer.

Due to legal restrictions, nominees and custodians may not send copies of this Retail Information Booklet or accept the Retail Entitlement Offer on behalf of any person in the United States or any person who is acting for the account or benefit of a person in the United States (to the extent such person holds Primary Shares and is acting for the account or benefit of a person in the United States) or other jurisdiction outside Australia or New Zealand, except to beneficial shareholders who are institutional or professional investors in certain foreign countries (other than the United States) to the extent contemplated in the Investor Presentation under the section titled "Foreign Selling Restrictions" or as Primary may otherwise permit in compliance with applicable law.

Primary is not required to determine whether or not any registered Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Primary Shares.

Section 4: Options available to you

4.1. Option 1 – Take up all of your Retail Entitlement

To take up all of your Retail Entitlement, you must:

- ▶ pay by BPAY (see Section 4.4); or
- ▶ complete your personalised Entitlement and Acceptance Form and return it by mail with your Application Monies in the form of a cheque, bank draft or money order (see Section 4.5),

in each case, by no later than 5.00pm on the Retail Closing Date.

4.2. Option 2 – Take up part of your Retail Entitlement

To take up part of your Retail Entitlement, you must:

- ▶ pay by BPAY (see Section 4.4); or
- ▶ complete your personalised Entitlement and Acceptance Form (indicating the number of New Shares you wish to take up) and return it by mail with your Application Monies, in the form of a cheque, bank draft or money order (see Section 4.5),

in each case, by no later than 5.00pm on the Retail Closing Date.

The part of your Retail Entitlement not taken up will lapse and the New Shares not subscribed for will form part of the Retail Shortfall.

4.3. Option 3 – Take no action

If you take no action, you will not be issued New Shares and your Retail Entitlement will lapse. Your Retail Entitlement is non-renounceable and is not tradeable or otherwise transferable. Eligible Retail Shareholders who do not take up their Retail Entitlements in full will not receive any value for those Retail Entitlements they do not take up.

Eligible Retail Shareholders who do not participate fully in the Retail Entitlement Offer will have their proportionate interests in Primary diluted.

4.4. Payment by BPAY

To pay by BPAY, please follow the instructions on your personalised Entitlement and Acceptance Form or online at <https://primaryhealthcareretailoffer.thereachagency.com> (which includes the Biller Code and your unique Customer Reference Number). You can only make a payment via BPAY if you are the holder of an account with an Australian branch of a financial institution that supports BPAY transactions.

You should instruct payment well before 5.00pm on the Retail Closing Date to enable its receipt before the Retail Entitlement Offer closes.

If you pay by BPAY, your Entitlement and Acceptance Form is not required to be lodged with the Registry and you will be deemed to have made the declarations set out in this Retail Information Booklet and on the Entitlement and Acceptance Form.

Primary will treat you as applying for as many New Shares as your payment will pay for in full up to your Retail Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

Please make sure to use the specific Biller Code and unique Customer Reference Number on your personalised Entitlement and Acceptance Form or accessed online at <https://primaryhealthcareretailoffer.thereachagency.com>. If you receive more than one personalised Entitlement and Acceptance Form, you will need to complete individual BPAY transactions using the Customer Reference Number specific to each individual personalised Entitlement and Acceptance Form that you receive.

You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. You may also have your own limit on the amount that you can pay via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

4.5. Apply by post with cheque, bank draft or money order

To pay by cheque, bank draft or money order, you must complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form, indicating the number of New Shares you wish to apply for and return it by mail to the address set out below, accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to “Primary Health Care Limited” and crossed “Not Negotiable”. Any agreement to issue New Shares to you following receipt of your personalised Entitlement and Acceptance Form is conditional on your cheque, bank draft or money order in payment of the Application Monies for those New Shares being honoured on first presentation.

Your cheque, bank draft or money order must be:

- ▶ for an amount equal to \$2.50 multiplied by the number of New Shares that you are applying for; and
- ▶ in Australian currency, drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque, bank draft or money order for Application Monies (or the amount for which the cheque clears in time for issue) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

Any Application Monies received for more than your final allocation of New Shares will be refunded. No interest will be paid to applicants on any Application Monies received or refunded (wholly or partially).

Cash payments will not be accepted. Receipts for payment will not be issued.

It is important to note that the Retail Entitlement Offer closes at 5.00pm on Friday, 7 September 2018. To participate in the Retail Entitlement Offer, your payment must be received no later than this date. Eligible Retail Shareholders who make payment via cheque, bank draft or money order should mail their cheque, bank draft or money order and their completed Entitlement and Acceptance Form to the address below:

Mail to:

Primary Health Care Limited
 C/- Computershare Investor Services Pty Limited
 GPO Box 505
 Melbourne VIC 3001

Entitlement and Acceptance Forms (and payments of any Application Monies) will not be accepted at Primary's registered or corporate offices.

For the convenience of Eligible Retail Shareholders in Australia, an Australian reply paid envelope with the appropriate address has been included with this Retail Information Booklet. Shareholders outside of Australia will need to affix the appropriate postage.



Section 5: Announcements

This Retail Information Booklet (other than the Announcements) is dated 27 August 2018. The Announcements are current as at 27 August 2018. This Retail Information Booklet remains subject to change without notice, and Primary is not responsible for updating this Retail Information Booklet.

There may be additional announcements that have been made by Primary after 27 August 2018 and throughout the Retail Entitlement Offer Period that may be relevant in your consideration of whether to take part in the Retail Entitlement Offer. Therefore, it is prudent that you check whether any further announcements have been made by Primary before submitting an Application.

ASX Offer announcements

ASX Announcement (ASX: PRY)

ASX Limited
Market Announcements Office
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

PRIMARY HEALTH CARE LIMITED

ACN 064 530 516
REGISTERED OFFICE:
LEVEL 6
203 PACIFIC HIGHWAY
ST LEONARDS NSW 2065
TEL: +61 2 9432 9400
FAX: +61 2 9432 9447

20 August 2018

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PRIMARY ANNOUNCES STRATEGIC GROWTH INITIATIVES, TO BE FUNDED VIA AN UNDERWRITTEN \$250 MILLION PRO RATA NON-RENOUNCEABLE ENTITLEMENT OFFER

- ~\$140 million investment over three years in Medical Centres to increase capacity, deliver additional services and recruit and retain health care professionals
- ~\$100 million investment over five years in a superior and differentiated pathology infrastructure platform to increase efficiency, deliver improved clinical outcomes and support continued growth
- Strategic growth initiatives targeting greater than 15% return on investment following completion
- Primary is in exclusive negotiations to acquire a leading operator of day hospitals. Total potential investment of up to ~\$140 million over a three year period, including an upfront payment of \$75 million (if the acquisition proceeds), and future contingent payments related to operational milestones and performance¹
- Funded by a 1 for 5.21 underwritten entitlement offer to raise approximately \$250 million

Primary Health Care (ASX: PRY) ("Primary") today announces a number of new and accelerated strategic growth initiatives to meet the continued demand for high quality, affordable and consumer-centred health services.

Primary Managing Director and Chief Executive Officer, Dr Malcolm Parmenter said "Primary plays a critical role in caring for Australians through our unique network of large-scale multi-disciplinary medical centres, pathology laboratories and diagnostic imaging centres. We are committed to investing in, improving and growing our operations to position Primary to play a leading role in delivering frontline care in the future, and maximising value and sustainable returns for its shareholders."

Strategic growth initiatives

Medical Centres investment program

Following a comprehensive site-by-site review, Primary has identified a number of opportunities and initiatives to better leverage its unique portfolio of large-scale medical centres. These initiatives are expected to be implemented over the next three years and will comprise:

¹ The acquisition is not guaranteed to proceed and is subject to the negotiation of binding agreements and completion of due diligence. If binding agreements are entered into, they will likely be subject to a number of customary conditions precedent to closing.

- *Property* - modernisation, improvement and extension to the current service offering at 52 medical centres²;
- *Process* - implementation of a digital operating platform to support online appointments and drive significant operating efficiencies; and
- *People* - a people strategy designed to establish Primary as a workplace of choice. This will enhance Primary's ability to attract and retain health care professionals and create a strong patient loyalty base.

These initiatives are expected to drive a substantial increase in patient capacity within Primary's existing network, through additional physical infrastructure and a targeted 45% increase in net GP headcount over the next three years.

This additional capacity, combined with the investment in a digital operating platform, is expected to generate a 10-15% uplift in average gross billings per hour by FY 2021 with an expected average of \$1 million of EBIT across all 73 centres.

New Pathology infrastructure platform

Primary will invest approximately \$100 million over five years to implement a modern Laboratory Information System ("LIS"). Implementation and roll-out of the new LIS will commence in the second half of 2019 and is expected to be completed by FY 2022.

This single, integrated information platform will replace the existing 25 year old system across all of Primary's collection centres and laboratories and is expected to deliver a number of clinical and operational benefits, including improved pre-analytical accuracy, faster turn-around times and improved business intelligence.

Primary expects LIS to generate net benefits of around \$20 million per annum once embedded in the business through cost savings from automation, standardisation of work practices and FTE efficiency. Further, Primary expects that the improved platform will position the business to grow its market share in higher margin and faster growing complex testing.

Potential acquisition

Primary is in exclusive negotiations to acquire a leading operator of day hospitals across a number of states. The business generated FY 2018 pro forma EBITDA of \$7 million³.

Under the indicative transaction terms, Primary will make an upfront payment of \$75 million, plus further contingent payments (subject to a cap) over the next three years based on delivery of future operational milestones and performance.

The potential acquisition provides opportunities for synergies through provision of additional services to Primary's IVF patients and incremental pathology volumes. In combination with Primary's five existing day surgery facilities, the potential acquisition would provide a scale platform to further grow Primary's non-Medicare funded revenues.

² 64 centres receiving an uplift of which 52 will be reconfigured with new GP consulting, dentist surgeries, ACCs and other services.

³ FY 2018 pro forma EBITDA based on unaudited management accounts provided by the vendor for the eleven months to May 2018, with one month of management forecast for June 2018, and adjusted for: (i) non-recurring items; (ii) non-operating items (including costs related to the development of new facilities); (iii) incremental corporate costs; and (iv) incremental earnings from a pending private hospital acquisition. The unaudited FY 2018 pro forma EBITDA has been provided by the vendor. Primary is unable to verify the accuracy or completeness of the unaudited FY 2018 pro forma EBITDA.

Entitlement Offer

To fund the strategic growth initiatives and the potential acquisition (if it proceeds), Primary will undertake a \$250 million fully underwritten 1 for 5.21 accelerated pro rata non-renounceable entitlement offer ("Entitlement Offer").

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new Primary share ("New Share") for every 5.21 existing Primary shares held as at 7:00pm (Sydney time) on Wednesday, 22 August 2018 ("Record Date").

All shares offered under the Entitlement Offer will be issued at a price of \$2.50 per New Share, which represents a 17.8% discount to the theoretical ex-rights price of \$3.04⁴ on Friday, 17 August 2018.

Approximately 100 million New Shares will be issued under the Entitlement Offer. New Shares will rank equally with existing Primary shares but will not qualify for the FY 2018 final dividend.

Jangho Group, Primary's largest shareholder, is supportive of the company and has provided an irrevocable commitment to subscribe for 100% of its pro rata share of the Entitlement Offer⁵.

The Entitlement Offer is fully underwritten.

Entitlement Offer timetable

A timetable of key dates in relation to the Entitlement Offer is set out below. The timetable is indicative only and dates and times are subject to change without notice.

Event	Date (2018)
Trading halt and announcement of Entitlement Offer	Monday, 20 August
Institutional Entitlement Offer and Institutional Bookbuild opens	Monday, 20 August
Institutional Entitlement Offer and Institutional Bookbuild closes	Tuesday, 21 August
Trading halt lifted and announcement of results of Institutional Entitlement Offer	Wednesday, 22 August
Record Date under the Entitlement Offer	Wednesday, 22 August (7.00pm)
Retail Information Booklet despatched and Retail Entitlement Offer opens	Monday, 27 August
Institutional Settlement date and Dividend Record Date	Tuesday, 28 August
Institutional Allotment and Trading Date	Wednesday, 29 August
Retail Entitlement Offer closes	Friday, 7 September

⁴ The TERP is a theoretical price at which Primary shares trade immediately after the ex-date for the Entitlement Offer. The TERP calculation has been calculated on an ex-dividend basis to reflect that shares issued under the Entitlement Offer will not qualify for the FY 2018 final dividend.

⁵ To be settled as part of the Retail Entitlement Offer.

Retail Allotment Date	Friday, 14 September
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Retail Trading Date	Monday, 17 September
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The above timetable is indicative and subject to variation. Primary reserves the right to alter the timetable at its absolute discretion and without notice, subject to ASX Listing Rules and Corporations Act 2001 (Cth) and other applicable law. All dates and times refer to Australian Eastern Standard Time (AEST).

Additional details

Further details on the strategic growth initiatives, the potential acquisition and the Entitlement Offer are set out in the Investor Presentation provided to the ASX today. Details of Primary's FY 2018 financial performance and FY 2019 outlook are set out in a separate presentation also lodged with the ASX. These presentations contain important information, including key risks and foreign selling restrictions, with respect to the Entitlement Offer.

If you have any questions in relation to the Entitlement Offer, please contact the Primary Health Care Limited Entitlement Offer Information Line on 1300 850 505 (within Australia) or on +61 3 9415 4000 (outside Australia) at any time from 8.30am to 5.00pm Monday to Friday during the Retail Entitlement Offer Period. You can also go to Primary's website at www.primaryhealthcare.com.au. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

King Wood and Mallesons is acting as Primary's legal adviser.

ENDS

For further information contact:

Investors and analysts

Janet Payne
Group Executive, Corporate Affairs
Phone: +61 2 9432 9512
Mobile: +61 409 995 517

Media

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Manager, Corporate Affairs
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Mobile: +61 435 652 967

About Primary: *For over 30 years, Primary Health Care has been one of Australia's leading listed healthcare companies with a commitment to supporting quality, affordable and accessible healthcare for all Australians. Through an expansive network of multi-disciplinary medical centres, pathology laboratories and diagnostic imaging centres, Primary provides world class facilities and support services to independent GPs, radiologists, specialists and other healthcare practitioners, enabling them to deliver quality care to patients in partnership with Primary's pathologists, nurses and other employees. Primary's 'medical home' model makes healthcare services easily accessible and cost efficient, while enabling the coordination and continuity of patient care.*

IMPORTANT NOTICES

Not for release or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this announcement nor anything attached to this announcement shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in

which such an offer would be illegal. Neither the entitlements nor the new shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be exercised or taken up by, and the new shares may not be offered or sold, directly or indirectly, to persons in the United States unless they have been registered under the U.S. Securities Act (which Primary has no intention or obligation to do or procure) or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

Financial information and forward-looking statements

You should note that this announcement may include certain pro forma financial information of Primary and/or potential acquisition target, which is for illustrative purposes only and is not presented as being indicative of Primary's views on its future financial condition and/or performance, and that such pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

This announcement may include certain financial measures that may be considered "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards ("AAS") or International Financial Reporting Standards ("IFRS"). Such non-GAAP and non-IFRS financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. You are cautioned not to place undue reliance on any non-GAAP and non-IFRS financial measures, which are unaudited, included in this announcement.

You should note that this announcement may contain certain "forward-looking statements", including but not limited to projections, estimates and guidance on Primary's future financial performance and outlook including the impact of a potential acquisition, and that such forward-looking statements are provided for illustrative purposes only and are not indicative of Primary's actual performance for the relevant period; are based on assumptions and contingencies that are subject to change and involve known and unknown risks and uncertainties and other factors that are beyond the control of Primary and may not be reliably predictable; and should not be relied upon as an indication or guarantee of future performance, and that actual results, performance and achievements may differ materially from those expressed or implied in such forward-looking statements and any assumptions on which these statements are based.

Investor Presentation



IMPORTANT NOTICE AND DISCLAIMER

The following notice and disclaimer applies to this investor presentation (**Presentation**) and you are therefore advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation. By accepting this presentation you represent and warrant that you are entitled to receive the Presentation in accordance with the below restrictions and agree to be bound by the limitations contained herein.

This Presentation has been prepared by Primary Health Care Limited (ACN 064 530 516) (**Primary**). This Presentation has been prepared in relation to:

- x Primary's strategic growth initiatives; and
- x the fully underwritten private accelerated non-announceable entitlement offer of new Primary fully-paid ordinary shares (**New Shares**) to be made under section 708AA of the Corporations Act 2001 (Cth) (Corporations Act) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/634 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**the Offer**).

The Offer will be made to eligible institutional shareholders of Primary in certain permitted jurisdictions (**Institutional Entitlement Offer**) and eligible retail shareholders of Primary in Australia and New Zealand (**Retail Entitlement Offer**).

Summary information

This Presentation contains summary information about Primary and its activities which is current only as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Primary or that would be required to be included in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

Primary's historical information in this Presentation is, or is based upon, information that has been released to the Australian Securities Exchange (**ASX**). This Presentation should be read in conjunction with Primary's other periodic and continuous disclosure announcements lodged with the ASX, including Primary's results for the year ended 30 June 2018 lodged with the ASX on 20 August 2018, which are available at www.asx.com.au. While steps have been taken to review that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Primary nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

Not an offer

This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission (**ASIC**)) or any other law. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction.

The Retail Information Booklet for the Retail Entitlement Offer (**Retail Information Booklet**) will be available following its lodgement with ASX. Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the Retail Information Booklet in deciding whether to apply under that offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Information Booklet and the entitlement and acceptance form that will accompany it.

The release, publication or distribution of this Presentation (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Presentation, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws. Refer to the 'Foreign selling restrictions' section in the Additional Information section of this Presentation for more information.

Not for release or distribution in the United States of America

This Presentation may not be released or distributed in the United States.

This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States) or in any other jurisdiction in which, or to any person to whom, such an offer would be illegal. Neither the New Shares nor the entitlements have been, or will be, registered under the U.S. Securities Act of 1933, as amended (**the U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, neither the New Shares nor the entitlements may be offered or sold, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold Primary shares and are acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

IMPORTANT NOTICE AND DISCLAIMER (CONT'D)

Not investment advice

This Presentation does not constitute investment or financial product advice (nor law, accounting or legal advice) or any recommendation by Primary or its advisers to acquire entitlements or New Shares and does not and will not form any part of any contract for the acquisition of entitlements or New Shares. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Primary and the impact that different future outcomes may have on Primary.

This Presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. Primary is not licensed to provide financial product advice in respect of Primary shares.

Future performance

This Presentation contains certain 'forward looking statements', including but not limited to projections or guidance on future revenues, earnings and other estimates, the industry outlook, the timing and outcome of the Transaction, the outcome and effects of the Offer and the use of proceeds, and the future performance of Primary post-acquisition including potential or expected synergies. Forward looking statements can generally be identified by the use of forward looking words such as: 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'potential' and other similar expressions within the meaning of securities laws of applicable jurisdictions. The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Primary, its directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the 'Key Risks' section in the Additional Information section of this Presentation for a summary of certain general, Primary-specific and Transaction-specific risk factors that may affect Primary. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Presentation. The forward looking statements are based on information available to Primary as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), Primary undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Investment risk

An investment in Primary shares is subject to known and unknown risks, some of which are beyond the control of Primary. Primary does not guarantee any particular rate of return or the performance of Primary. Investors should have regard to the risk factors outlined in this Presentation, including the 'Key Risks' in the Additional Information section when making their investment decision.

Financial data

All financial information in this Presentation is in Australian Dollars (A\$) unless otherwise stated. Primary has a 30 June financial year end, and all references to 'FY' refer to the financial year ending 30 June.

Investors should note that this Presentation contains selected pro forma historical financial information illustrating the impact of the Offer. The pro forma financial information, the forward looking financial information, and the historical information, provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Primary's views on its future financial condition and/or performance.

Historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement principles, but not the disclosure requirements, of Australian Accounting Standards ('AAS') and Primary's adopted accounting policies or applicable accounting standards and other mandatory reporting requirements in Australia, except that the classification of assets and liabilities is recognised on a liquidity basis. This information has been derived from the Appendix 4E- Primary Final Report (Unaudited) of Primary for the year ended 30 June 2018, except that it's presented in a summarised format and on a liquidity basis for the purposes of the Investor Presentation.

Historical pro forma financial information

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles, but not the disclosure requirements, contained in AAS except that the classification of assets and liabilities is recognised on a liquidity basis and other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of the Offer as if it occurred as at 30 June 2018.

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GROWTH INITIATIVES AND CAPITAL RAISING

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IMPORTANT NOTICE AND DISCLAIMER (CONT'D)

Financial data (cont'd)

This Presentation also contains certain pro forma financial information in relation to the target of a potential acquisition, as set out on slides 8 and 19, which has been prepared on the basis of unaudited information provided by the vendor. Primary is unable to verify the accuracy or completeness of all of that information. If any such information proves to be incomplete, inaccurate or misleading, there is a risk that the actual financial position or performance of the target may be materially different to that reflected in this Presentation.

Investors should be aware that certain financial measures included in this Presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under AAS and International Financial Reporting Standards ('IFRS'). The non-IFRS financial information/non-GAAP financial measures include EBITDA, pro forma EBITDA, underlying EBITDA, Net debt, pro forma Net Debt/Underlying EBITDA, underlying NPAT and ROIC. Primary believes the non-IFRS financial information/non-GAAP financial measures provide useful information to users in measuring the financial performance and conditions of Primary. The non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS and IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this Presentation. This information is unaudited.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Past performance

Investors should note that past performance, including past share price performance of Primary and pro forma historical information related to Primary in this Presentation, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future performance of Primary, including future share price performance of Primary. The pro forma historical information is not represented as being indicative of Primary's views on its future financial condition and/or performance.

Disclaimer

Investors acknowledge and agree that determination of eligibility of investors for the purposes of the institutional or retail components of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Primary and/or the underwriters, and each of Primary and the underwriters and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law. Each underwriter may rely on information provided by or on behalf of institutional investors in connection with managing, conducting and underwriting the Offer without having independently verified that information and the underwriters do not assume responsibility for the accuracy or completeness of that information.

None of the underwriters, nor their or Primary's respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and, for the avoidance of doubt, and except for references to their names, none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them.

To the maximum extent permitted by law, Primary, the underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents exclude and disclaim all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

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GROWTH INITIATIVES AND CAPITAL RAISING

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IMPORTANT NOTICE AND DISCLAIMER (CONT'D)

Disclaimer (cont'd)

To the maximum extent permitted by law, Primary, the underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation and, with regards to the underwriters, their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents take no responsibility for any part of this Presentation or the Offer.

The underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by the underwriters, or any of their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees or agents in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

You acknowledge and agree that:

- x Determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Primary and the underwriters; and
- x Each of Primary, the underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

The information in this Presentation remains subject to change without notice.

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GROWTH INITIATIVES AND CAPITAL RAISING

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KEY HIGHLIGHTS

- x Primary Health Care ("Primary") today announces a number of new and accelerated initiatives in order to best meet the continued demand for high quality community health services
 - Over the next 3 years, Primary plans to invest ~\$140 million to increase operational capacity in existing Medical Centres, deliver additional services and improve its ability to recruit and retain health care professionals in its Medical Centres division
 - Over the next 5 years, Primary plans to invest ~\$100 million to deliver a superior and differentiated Pathology infrastructure platform designed to increase operational efficiency, deliver significant clinical outcomes and support the continued growth of its Pathology Division
- x Primary expects that, on completion, these initiatives will deliver material operational and clinical benefits as well as significantly enhanced financial performance
 - Targeting greater than 15% return on investment from these projects
- x Primary is in exclusive negotiations to acquire a leading day hospital operator¹
 - Total potential investment of up to ~\$140 million over a three year period, including an upfront payment of \$75 million (if the acquisition proceeds) and future contingent payments related to operational milestones and performance
 - Pro forma FY 2018 EBITDA of \$7 million²
- x The above initiatives and the acquisition (if it proceeds) will be funded via an underwritten \$250 million pro rata non-remunerable entitlement offer ("Offer")
 - 1 for 5.21 new shares at \$2.50 per share (ex final FY 2018 dividend of 5.5 cents per share)
 - Following the completion of the Offer, Primary will have 30 June 2018 pro-forma net debt³ / FY 2018 underlying EBITDA of 1.9x⁴
 - Jangho Group, Primary's largest shareholder, is supportive of the company and has provided an irrevocable commitment to subscribe for 100% of its pro rata share of the Entitlement Offer⁵

¹ The acquisition is not guaranteed to proceed and is subject to the negotiation of binding agreements and completion of due diligence. If binding agreements are entered into, they will likely be subject to a number of customary conditions precedent to closing (see slide 19 for further details)

² FY 2018 pro forma EBITDA based on unaudited management accounts provided by the vendor for the eleven months to May 2018, with one month of management forecast for June 2018, and adjusted for: (i) non-recurring items; (ii) non-operating items (including costs related to the development of new facilities); (iii) incremental corporate costs; and (iv) incremental earnings from a pending private hospital acquisition. The unaudited FY 2018 pro forma EBITDA has been provided by the vendor. Primary is unable to verify the accuracy or completeness of the unaudited FY 2018 pro forma EBITDA.

³ Pro forma for the Offer only and transaction costs. Net debt is calculated as total interest bearing liabilities less cash.

⁴ Underlying results for the year ended 30 June 2018 exclude the impact of non-underlying items relating to: (i) restructuring and strategic initiatives; (ii) non-recurring items; and (iii) impairment of assets and other related items.

⁵ To be settled as part of the Retail Entitlement Offer.

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GROWTH INITIATIVES AND CAPITAL RAISING

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PRIMARY TODAY

Fundamentals are strong

- ✔ Primary plays a critical role in caring for Australia's population
- ✔ Primary operates scale businesses across medical centres, radiology and pathology
 - 8 million patient consultations
 - A third of all private pathology tests
 - Over 3 million diagnostic imaging examinations each year
- ✔ Primary is positioned to meet the evolving requirements of patients, payers and health care professionals
- ✔ Primary is striving to become a workplace of choice

Significant opportunities to invest and grow Primary's business

- » Delivery of additional and improved services and facilities to meet the needs of referrers and patients
- » Realise the benefits of Primary's unique portfolio of large-scale clinics of remarkable size, location, accessibility and range of services
- » Modernise systems and process efficiency
- » Increase digitisation of workflows and position for digital health initiatives
- » Better recruitment and retention of health care professionals

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GROWTH INITIATIVES AND CAPITAL RAISING

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PRIMARY
HEALTH CARE LIMITED

STRATEGIC GROWTH INITIATIVES

Initiative	Overview	Cash cost ¹	Benefits
1 MEDICAL CENTRE INVESTMENT PROGRAM	<ul style="list-style-type: none"> » Increase operational capacity, deliver additional services and enhance GP recruitment and retention outcomes » Modernise, improve and extend 52 facilities² over 3 years 	~\$140 million	<ul style="list-style-type: none"> ✔ Targeting an average of \$1 million of EBIT across all 73 centres ✔ Greater than 20% return targeted on capital in 3 years
2 PATHOLOGY INVESTMENT PROGRAM	<ul style="list-style-type: none"> » Deliver a superior and differentiated, modern infrastructure platform with significant clinical, operational and financial benefits to support growth » 5 year program with staged deployment implemented by a dedicated team 	~\$100 million	<ul style="list-style-type: none"> ✔ Expected net benefit of around \$20 million p.a. once embedded in the business ✔ Cost savings expected from automation, standardisation and FTE efficiency ✔ Opportunity to grow share in higher margin, faster growing complex testing

¹Will be split between operating costs and capital expenditure

²64 centres receiving an uplift of which 52 will be reconfigured with new GP consulting, dentist surgeries, ACCs and other services

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GROWTH INITIATIVES AND CAPITAL RAISING

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GROWTH INITIATIVES AND CAPITAL RAISING

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HEALTH CARE LIMITED

OUTCOMES FROM STRATEGIC INITIATIVES

- ✓ Significant platform improvements expected to drive enhanced Medical Centre performance
- ✓ Substantial uplift in capacity of existing Medical Centres
- ✓ ~45% increase in Medical Centre GP FTEs targeted over the next 3 years
- ✓ Superior and differentiated Pathology infrastructure platform
- ✓ If the acquisition proceeds, potential for an expanded platform well positioned to grow in attractive day hospital market

- » Target an increase of **10-15%** in average gross billings per hour by FY 2021
- » Hybrid appointment / walk-in model across all centres
- » Improved recruitment and retention outcomes

- » Equivalent to **4** new large-scale Medical Centres over the next 3 years without any incremental rent overhead



- » Expected net benefit of around **\$20m p.a.** once embedded in the business
- » Significant clinical and operational benefits
- » Provides opportunity to grow share in higher margin and faster growing complex testing
- » Portfolio of **15** day hospitals operating by end of FY 2019 (plus pipeline of organic and inorganic growth opportunities)¹
- » Diversifies funding sources, growing non-Medicare revenues

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GROWTH INITIATIVES AND CAPITAL RAISING

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PRIMARY
HEALTH CARE LIMITED

¹ Includes Primary's existing day hospitals and the potential acquisition. The acquisition is not guaranteed to proceed and is subject to the negotiation of binding agreements and completion of due diligence. If binding agreements are entered into, they will likely be subject to a number of customary conditions precedent to closing (see slide 19 for further details)

MEDICAL CENTRES: PEOPLE

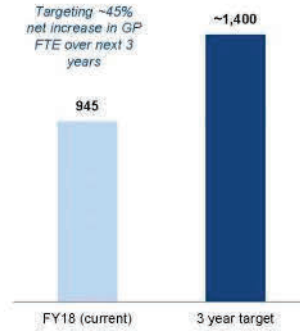
Enhanced recruitment and retention of high quality health care professionals

- » Primary is implementing a multi-channel personnel strategy aimed at:
 - Enhancing its ability to attract and retain health care professionals
 - Developing stronger clinical culture in centres after quality reset initiatives
 - Positioning the business as a workplace of choice
 - Recruiting young professionals via thriving Primary Institute

Initiatives

- » **Regional recruitment:** bespoke centre level strategies leveraging both local relationships and Primary's network
- » **International recruitment:** program aimed at relocation of UK GPs, who will typically take after-hours work and weekend slots
- » **"Roll-in" M&A:** acquisition of GP practices in Medical Centre catchment areas to manage centre utilisation
- » **Career development:** clinical management pathways and new skills training to support retention

Target GP numbers (FTE¹)



¹ FTEs based on 40-hour week, 47-week year

MEDICAL CENTRES: PROCESS IMPROVEMENT

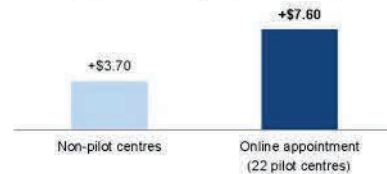
Primary is investing in a digital operating platform to drive operating efficiencies, higher GP billings and an improved patient and GP experience

- 1 Introduction of online appointments
 - 22 pilot centres in 2H18
 - 51 centres in FY 2019
- 2 Roll-out of a single Practice Management System ('PMS') across all sites that are not already using the system in FY 2019

Key benefits

- ✓ **Increased consultations and gross billings**
 - Online appointments support better utilisation across available hours
- ✓ **Digital operating model attractive to GPs**
 - Online appointments, pathway to selected private billing
- ✓ **Optimisation of the patient experience**
 - Improved patient engagement interface
 - Deliver continuity of care
- ✓ **Significant operating efficiencies**
 - Reduced in-clinic processes
 - Re-engineered practice work flows
- ✓ **Positions Primary to attract GPs and patients in an increasingly digitised industry**

Average gross billings per hour uplift



- » Online appointments rolled out across 22 pilot centres in 2H18, with demonstrably positive results
- » Over a 6 week period, the pilot centres experienced growth in average gross billings per hour >100% greater than non-pilot centres
- » Primary is targeting average gross billings per hour increase of 10-15% by FY 2021

MEDICAL CENTRES: PROPERTY IMPROVEMENT

Coordinated program to modernise, improve and extend 52 Medical Centres over the next 3 years

- » Primary has undertaken a strategic review of all Medical Centres and their catchment areas
- » Effective use of existing space identified as a key opportunity across portfolio
- » Primary is investing in facility upgrades to enhance utilisation of existing space and better meet the needs of patients and health care professionals
- » Targeted centres identified from bottom-up analysis based on optimising return on investment

Key benefits

- ✓ **Modern facilities with superior patient experience** and enhanced services
- ✓ Expected to capture an **increased proportion of pathology and dental flows**
- ✓ **Optimise space utilisation** supporting higher GP and specialist headcount
- ✓ **Expansion of service offerings** expected to drive incremental revenue (e.g. dental, IVF, occupational health, urgent care)
- ✓ Attractive economics with **strong returns expected on capital** (no additional rent expense)

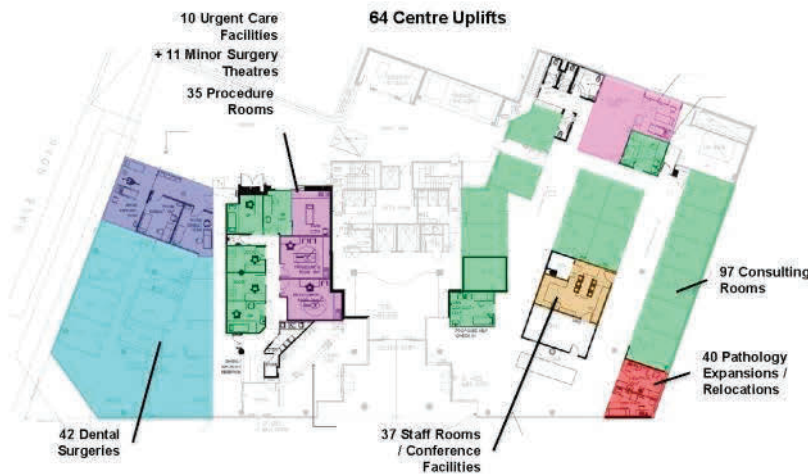
52 Medical Centres modernised and extended¹

97	Incremental consulting rooms	40	Pathology relocations/expansions
42	Incremental dental surgeries	35	Procedure rooms
49	Imaging refurbishments	11	Minor surgery theatres

EQUIVALENT TO 4 NEW LARGE-SCALE MEDICAL CENTRES WITHOUT ANY INCREMENTAL RENT OVERHEAD

¹64 centres receiving an uplift of which 52 will be reconfigured with new GP consulting, dentist surgeries, ACCs and other services

MEDICAL CENTRES: PROPERTY IMPROVEMENT



Based off floor plan for Maroubra Medical Centre in NSW

- » Phased approach to investment strategy
- » Initial priority to invest in centres where there is identified excess patient demand and strong ability to recruit HCPs
- » Minimal planned downtime during property improvement process

NEW LABORATORY INFORMATION SYSTEM ("LIS")

Current platform is outdated and increasingly difficult and expensive to support

- » 25 year old ULTRA system with 4 state-based versions
- » No standardised workflow environment
- » Not positioned for digitisation of healthcare
- » Opportunity to improve reporting, presentation, data analytics and business intelligence



Current reporting system



Illustrative new system

New LIS is expected to deliver superior and differentiated capabilities

- Single, integrated information system used by high quality, international operators
- Increased functionality and reduced costs
- Standardised workflow and efficiency benefits
- Improved capacity to complete more complex tests
- Digital results for referrers
- Positioned for opportunities in artificial intelligence, genomics and personalised medicine and big data health analytics

NEW LIS WILL DRIVE SIGNIFICANT BENEFITS

REFERRER / CLINICAL BENEFITS

- » Enhances ability to attract and retain high quality pathologists
- » Improved pre-analytical accuracy
- » Ability to deliver advanced genomics and personalised testing

OPERATIONAL BENEFITS

- » Standardisation of work flows and no duplication between states
- » Faster consultation turn around times
- » Undertake big data analytics and business intelligence
- » Simplified national tenders

FINANCIAL BENEFITS

- » Expected net benefit of around \$20 million p.a. once embedded in the business
- » Cost savings from automation, standardisation and FTE efficiency
- » Furthermore, improved ability to meet referrers' needs provides the opportunity to grow share in higher margin and faster growing complex testing
 - Material revenue uplift opportunity

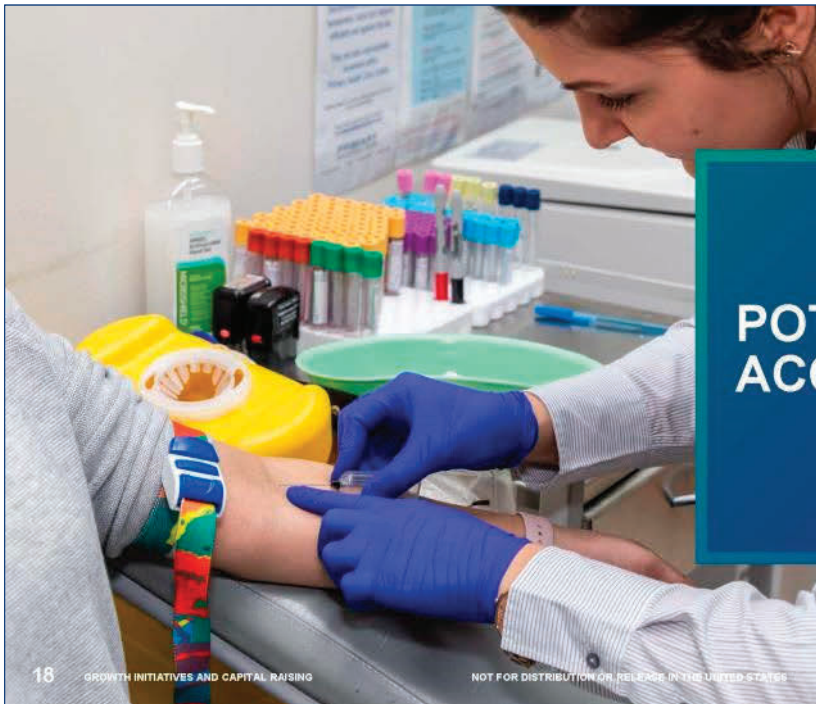
EXECUTION OF LIS IMPLEMENTATION

Primary will undertake a staged deployment of LIS, with a dedicated team engaged to execute the implementation strategy

Indicative schedule	2018	2019	2020	2021	2022
Release 1 ACOs		Build & test	Roll-out		
Release 2 Labs (core)		Build & test		Roll-out	
Release 3 Genomics, billing and reporting			Build & test	Roll-out	
Release 4/5			Build & test	Roll-out	

Benefits

- » Automated receipt of referral, specimen labelling, patient identification and test ordering
- » Enhanced speed, increased accuracy and improved patient outcomes
- » Automation and optimisation of laboratory processes
- » Increased productivity and materially enhanced reporting
- » Roll-out into complex testing disciplines and data analytics
- » Modernised platform facilitating Business Intelligence
- » Digital platform including patient and clinician portals
- » Online reporting and direct-to-consumer interface driving enhanced customer engagement



**POTENTIAL
ACQUISITION**

SUMMARY OF POTENTIAL ACQUISITION

Primary is in exclusive negotiations to acquire a leading day hospital operator

OVERVIEW OF TARGET	<ul style="list-style-type: none"> » Leading operator of day hospitals across a number of states » FY 2018 pro forma EBITDA of \$7 million¹ » Material growth in revenue and EBITDA expected over the next 2 years following the opening of 3 new identified sites²
INDICATIVE TRANSACTION TERMS	<ul style="list-style-type: none"> » Upfront payment of \$75 million representing value for current earnings » Further contingent payments over the next 3 years based on delivery of future operating milestones and performance <ul style="list-style-type: none"> - Total consideration subject to a cap of ~\$140 million
STATUS & TIMING	<ul style="list-style-type: none"> » Primary is in exclusive negotiations » Key purchase price terms have been accepted by the vendor » Entry into a binding agreement remains subject to completion of final due diligence, and sale contract negotiations³ » If the acquisition proceeds, completion is expected in September / October 2018 <ul style="list-style-type: none"> - Completion of the transaction (if it proceeds) is expected to be subject to a number of customary conditions precedent

¹ FY 2018 pro forma EBITDA based on unaudited management accounts provided by the vendor for the eleven months to May 2018, with one month of management forecast for June 2018, and adjusted for: (i) non-recurring items; (ii) non-operating items (including costs related to the development of new facilities); (iii) incremental corporate costs; and (iv) incremental earnings from a pending private hospital acquisition. The unaudited FY 2018 pro forma EBITDA has been provided by the vendor. Primary is unable to verify the accuracy or completeness of the unaudited FY 2018 pro forma EBITDA.

² Based on information provided to Primary by the vendor.

³ The acquisition is not guaranteed to proceed and is subject to the negotiation of binding agreements and completion of due diligence. If binding agreements are entered into, they will likely be subject to a number of customary conditions precedent to closing.

ACQUISITION RATIONALE

- ✓

Day hospital businesses are well positioned for future growth and further investment

 - Shift towards more day procedures, driven by improving surgical technology as well as superior outcomes for patients and payers
 - The number of private day hospital admissions has doubled in the last 10 years and is outpacing the growth in overnight hospital admissions
 - Highly fragmented sector with further acquisition / consolidation opportunities
- ✓

High quality business run by a strong and experienced management team that will be retained

 - Facilities are modern, well-run and strategically / geographically located to be easily accessible to both specialists and patients
 - Key management personnel that has driven the growth will be retained.
- ✓

Complementary business for Primary

 - Primary is already invested in day hospitals, and the potential acquisition (if it proceeds) will provide a platform for future growth and improved performance in this business segment
 - Strategically aligned to Primary's core business of providing frontline community health care outside of an overnight hospital setting
 - Opportunities to integrate with Primary's IVF business and deliver pathology volumes
 - Existing relationship with a number of health care professionals operating in the business
- ✓

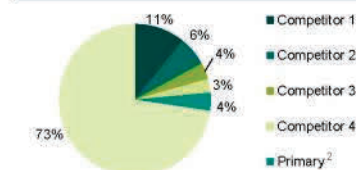
Diversifies Primary's sources of funding

 - Platform to grow non-Medicare revenues

Higher growth in same-day separations



Competitive landscape¹



¹ Based on number of day hospitals in Australia

² Pro forma for the potential acquisition



21 GROWTH INITIATIVES AND CAPITAL RAISING

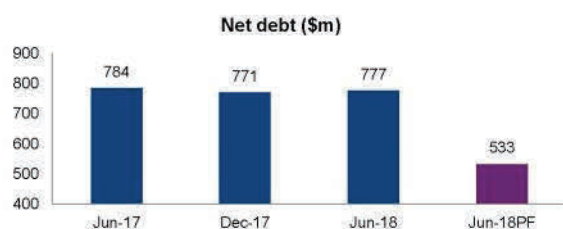
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FINANCIAL IMPACT

Key metrics; \$m	Jun-18 ¹	Adj. ²	Jun-18PF
Net Debt ³	776.8	(244.0)	532.8
Underlying EBITDA ⁴	282.2	-	282.2
Net Debt / Underlying EBITDA	2.8x		1.9x

- » The Offer will strengthen the balance sheet to fund strategic growth initiatives, including:
 - Medical Centre investment program
 - Pathology investment program
 - Potential acquisition (if it proceeds)
- » Primary believes these investments will generate material financial, operational and clinical benefits, strongly positioning the business to deliver long term earnings growth
- » If the upfront payment relating to the potential acquisition had been made on 30 June 2018, pro forma net debt / underlying pro forma EBITDA would be 2.1x⁵



¹ As per Primary's Appendix 4E - Preliminary Final Report (Unaudited)

² Adjusted for the Offer only and transaction costs

³ Net debt is calculated as total interest bearing liabilities less cash

⁴ Underlying results for the year ended 30 June 2018 exclude the impact of non-underlying items relating to: (i) restructuring and strategic initiatives; (ii) nonrecurring items; and (iii) impairment of assets and other related items

⁵ Reflects Jun-18 pro forma net debt including upfront consideration of \$175 million and FY 2018 pro forma EBITDA of \$17 million for the potential acquisition. The unaudited FY 2018 pro forma EBITDA has been provided by the vendor. Primary is unable to verify the accuracy or completeness of the unaudited FY 2018 pro forma EBITDA. The acquisition is not guaranteed to proceed and is subject to the negotiation of binding agreements and completion of due diligence. If binding agreements are entered into, they will likely be subject to a number of customary conditions precedent to closing.

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PRIMARY HEALTH CARE LIMITED

FY 2019 FORECAST

- » Primary currently expects underlying NPAT in FY 2019 to be at or above FY 2018 underlying NPAT, prior to the impact of the capital raising and potential acquisition
- » Based on current trading activity, industry growth is expected to be slower in 1H 2019 and then normalise to long-term growth rates
- » Assuming successful capital raising and completion of the potential acquisition, Primary anticipates the following adjustments to FY 2019 underlying NPAT:
 - Interest expense savings resulting from the proceeds of the capital raising
 - Earnings contribution from the potential acquisition from the date of completion (expected to be September-October 2018)
- » A further update regarding Primary's trading and outlook will be provided at the AGM in November 2018



CAPITAL RAISING

ENTITLEMENT OFFER OVERVIEW

Offer structure and size	<ul style="list-style-type: none"> » 1 for 5.21 pro rata accelerated non-renounceable entitlement offer to raise \$250 million » Approximately 100 million New Shares issued (~16.1% of post Offer issued Capital) » Comprises Institutional Entitlement Offer and Retail Entitlement Offer
Offer price	<ul style="list-style-type: none"> » Entitlement Offer issue price of \$2.50 per new share – 17.8% discount to theoretical ex-rights price ("TERP")¹ of \$3.04 on 17 August 2018
Institutional Entitlement Offer	<ul style="list-style-type: none"> » Institutional entitlement offer opens on Monday, 20 August 2018 and closes on Tuesday, 21 August 2018
Retail Entitlement Offer	<ul style="list-style-type: none"> » Retail entitlement offer opens on Monday, 27 August 2018 and closes on Friday, 7 September 2018
Ranking	<ul style="list-style-type: none"> » New shares issued under the Entitlement Offer will rank equally with existing Primary shares, but will not be eligible to receive the FY 2018 final dividend of 5.5 cents per share (ex-dividend date of Monday, 27 August 2018)
Record Date	<ul style="list-style-type: none"> » 7.00pm AEST on Wednesday, 22 August 2018
Major shareholder participation	<ul style="list-style-type: none"> » Jangho Group, Primary's largest shareholder, is supportive of the company and has provided an irrevocable commitment to subscribe for 100% of its pro rata share of the Entitlement Offer²
Underwriting	<ul style="list-style-type: none"> » Entitlement Offer is fully underwritten

¹ The TERP is a theoretical price at which Primary shares trade immediately after the ex-date for the Entitlement Offer. The TERP calculation has been calculated on an ex-dividend basis to reflect that shares issued under the Entitlement Offer will not qualify for the FY 2018 final dividend.

² To be settled as part of the Retail Entitlement Offer.

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GROWTH INITIATIVES AND CAPITAL RAISING

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ENTITLEMENT OFFER TIMETABLE¹

Event	Date (2018) ²
Trading halt and announcement of Entitlement Offer	Monday, 20 August
Institutional Entitlement Offer and Institutional Bookbuild opens	Monday, 20 August
Institutional Entitlement Offer and Institutional Bookbuild closes	Tuesday, 21 August
Trading halt lifted and announcement of results of Institutional Entitlement Offer	Wednesday, 22 August
Record Date under the Entitlement Offer	Wednesday, 22 August (7.00pm)
Retail Information Booklet despatched and Retail Entitlement Offer opens	Monday, 27 August
Institutional Settlement Date and Dividend Record Date	Tuesday, 28 August
Institutional Allotment and Trading Date	Wednesday, 29 August
Retail Entitlement Offer closes	Friday, 7 September
Retail Allotment Date	Friday, 14 September
Retail Trading Date	Monday, 17 September

¹ The above timetable is indicative and subject to variation. Primary reserves the right to alter this timetable at its absolute discretion and without notice, subject to ASX Listing Rules and Corporations Act 2001 (Cth) and other applicable law.

² All dates and times refer to Australian Eastern Standard Time ("AEST").

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GROWTH INITIATIVES AND CAPITAL RAISING

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GROWTH INITIATIVES AND CAPITAL RAISING

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PRIMARY
 HEALTH CARE LIMITED

HISTORICAL AND PRO FORMA HISTORICAL BALANCE SHEET

A\$ million	Primary Historical (30 June 2018) ¹	Adj. for Entitlement Offer ²	Primary Pro forma Historical (30 June 2018)
Cash	84.0	—	84.0
Receivables	150.4	—	150.4
Other assets	95.2	1.8	97.0
Property, plant & equipment	297.5	—	297.5
Goodwill and intangibles	2,497.1	—	2,497.1
Total assets	3,124.2	1.8	3,126.0
Payables	241.2	—	241.2
Provisions and other	198.5	—	198.5
Debt	860.8	(244.0)	616.8
Total liabilities	1,300.5	(244.0)	1,056.5
Net assets	1,823.7	245.8	2,069.5
Equity	1,823.7	245.8	2,069.5

¹ Derived from the Appendix 4E – Preliminary Final Report (Unaudited) of Primary for the year ended 30 June 2018, presented in a summarised format and on a liquidity basis for the purposes of the Investor Presentation.
² Adjusted for the Offer only, transaction costs and related deferred tax.

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GROWTH INITIATIVES AND CAPITAL RAISING

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GLOSSARY OF TERMS

Term	Definition
ACC	Approved Collection Centre
AGM	Annual General Meeting
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FTE	Full Time Equivalent
FY 2018	Financial year ended 30 June 2018
GP	General Practitioner
HCP	Health Care Professional
LIS	Laboratory Information System
PMS	Practice Management System
UNPAT	Underlying net profit after tax

KEY RISKS

1. RISK FACTORS

The future performance of Primary and the future investment performance of shares in Primary ("Shares") may be influenced by a range of risk factors, many of which are outside the control of Primary and its directors. A non-exhaustive list of key risks, including those specific to Primary and those of a more general nature, is set out below. Primary's business, financial condition, or results of operations (and the market price of its Shares) could be materially and adversely affected by any of these risks, either individually or in combination.

Before investing in Primary, you should consider whether this investment is suitable for you having regard to publicly available information (including this Presentation), and your own investment objectives and financial circumstances. You should also consider seeking professional guidance from your stockbroker, solicitor, accountant or other professional adviser before deciding whether to invest.

1.1 RISKS ASSOCIATED WITH PRIMARY'S OPERATIONS

Healthcare industry is highly regulated and constantly changing

Primary operates in healthcare industries which are subject to extensive laws and regulations. There are a number of government policies and regulations that, if changed, may have a material adverse impact on the financial and operational performance of Primary. Primary is subject to laws, government policies and regulations relating to, amongst other things:

- a) the conduct of operations;
- b) Commonwealth Government rebate arrangements;
- c) the licensing, registration and accreditation of facilities and equipment; and
- d) the addition and development of new facilities and equipment.

Further, regulations and laws, while complex, are sometimes poorly defined, and at times conflicting in nature, intent, or interpretation. Most are untested in courts and can have different interpretation and guidance, even from the same regulators. Failure by Primary or its Health Care Professionals to comply with legislation, regulation and other professional standards and accreditation may result in Primary being subject to penalties, damages, fines and disruption to its operations. The reputation of Primary may also be adversely affected.

KEY RISKS (CONT'D)

1.1 RISKS ASSOCIATED WITH PRIMARY'S OPERATIONS (CONT'D)

Changes in regulatory policies relevant to pathology, diagnostic imaging and medical centres

There are a number of Federal and State policies and regulations that, if changed, may have a material adverse impact on the financial and operational performance of Primary. The risks relating to these policies and regulations to Primary's pathology, diagnostic imaging, and medical centre management businesses include:

- a) changes to the nature and extent of the accreditation, government policy, regulation or licensing systems;
- b) any changes to the Medicare regime or other government funding initiatives including:
 - i. changes to the Medicare Benefits Schedule ('MBS') by the Commonwealth Government which substantially reduce the amounts payable for pathology, diagnostic imaging, general practitioner services or specialist services. Such changes may have a material adverse impact on Primary, which uses bulk billing as a key feature of its service delivery;
 - ii. future non-indexation of MBS fees for diagnostic imaging services by the Commonwealth Government, which could reduce the level of patient rebates. In turn, this would lead to an increase in out-of-pocket costs incurred by patients, which may adversely affect the affordability and demand for Primary's services; and
 - iii. changes to the Children's Dental Benefit Scheme, which could reduce the profitability of Primary's Dental business
- c) the introduction of the Diagnostic Imaging Quality Framework, which could see minimum radiologist attendance required for the provision of CT services. The introduction of this framework may increase costs and decrease accessibility to services; and
- d) changes to the general practitioner funding model which may arise from Government initiatives, for example the Health Care Homes Trial, may adversely impact Primary's business model and Health Care Professional contract terms.

In addition, Primary may become subject to other regulations which could increase its regulatory and compliance obligations. This may adversely impact on the financial performance, position and future prospects of Primary.

Licences and accreditation

Medical and dental centres, pathology laboratories and diagnostic imaging facilities are required to be licensed under various legislation. These licenses are generally subject to regular review, and are subject to revocation in certain circumstances. Breaches of law or licence conditions can lead to, among other things, penalties, loss of operating licences, prohibition on recovery of Medicare rebates and damage to reputation. To the extent that funding agreements and provider agreements with private health insurers include termination rights due to loss of accreditation, registration or licence, or other adverse regulatory findings, there may be flow-on contractual effects affecting Primary's businesses. This is likely to adversely impact on the financial performance, position and future prospects of Primary.

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GROWTH INITIATIVES AND CAPITAL RAISING

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KEY RISKS (CONT'D)

1.1 RISKS ASSOCIATED WITH PRIMARY'S OPERATIONS (CONT'D)

Licences and accreditation (cont'd)

Changes to government regulation or policy for licensing of private hospitals and day procedure centres could have the effect of reducing the barriers to entry and exposing Primary to increased competition or additional compliance costs.

Dependence upon and relationship with health care professionals

Primary's business model involves Primary contracting to provide a range of professional and support services to independent health care professionals to enable those practitioners to provide health care services to patients. This is a common relationship model used by Primary and its key competitors. While not contemplated, any change to Primary's relationship model with health care professionals due to evolutions in the business model or changes to industry practice, could expose Primary to increased costs (including where Primary became an employer of health care professionals).

A significant component of Primary's revenues are dependent upon service fees paid by health care professionals providing services to patients. If Primary is unable to successfully contract new health care professionals and retain contracted health care professionals within Primary's businesses, there may be adverse impacts on the growth prospects, the revenue earned, the cost structure and profitability of Primary's businesses. This, in turn, may have an adverse impact on the financial performance, position and future prospects of Primary. This may arise as a result of:

- a) changes to contract remuneration models, in particular, reductions in "up-front" payments;
- b) competition from other medical centres for appropriately skilled staff;
- c) an adverse ruling on health care professional contracts commonly used in the industry, which could result in an erosion of stability in the medical centre business model as well as significant claims for entitlements;
- d) failure by Primary to acquire and maintain the latest equipment and technology platforms; and
- e) a change in the regulatory environment that impedes Primary's ability to recruit health care professionals from outside Australia.

Primary relies on radiologists and other technical professionals, such as radiographers, sonographers and nuclear medicine technologists to provide the core medical services associated with diagnostic imaging. There have been shortages of qualified employees in the diagnostic imaging services industry, particularly in some of the regional markets that Primary operates in. In the event that Primary is not able to hire and retain a sufficient number of skilled employees, or to do so at anticipated salary levels, this could have an adverse impact on Primary's operations, financial position and future prospects.

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KEY RISKS (CONT'D)

1.1 RISKS ASSOCIATED WITH PRIMARY'S OPERATIONS (CONT'D)

Dependence upon referrers

Primary is heavily reliant upon doctors, whether or not they have a relationship with Primary, continuing to choose a pathology service provider who is affiliated with Primary or a diagnostic imaging services provider affiliated with Primary.

There is a risk that some doctors may reduce or end their level of requesting of such services from service providers affiliated with Primary. Such actions may be the result of a doctor's desire for change or prompted by the actions of competitors of Primary. Such actions may have a material adverse effect on the financial performance, position and future prospects of Primary.

Non-doctor clients of Primary in certain circumstances are able to influence the level of referrals made to service providers affiliated with Primary and increase the level of "coning" for Pathology requests. Such non-doctor clients include but are not limited to hospitals, insurance companies, and commercial entities. There is a risk that non-doctor clients may take actions that have the effect of reducing or ending the level of services requested from service providers affiliated with Primary.

Primary's business strategies and transformation projects may not be successful

Primary has embarked on a number of strategies and transformation projects to grow its business. Those strategies and projects may, in time, prove to be misguided, or may not be implemented effectively and result in an outcome that is detrimental to the performance of Primary. For example:

- In FY 2016, Primary announced the diversification of its medical centres business into the private, or mixed, billing market with the establishment of Health & Co. There are risks associated with the introduction of the private billing practice as a separate business unit within Primary, in particular, the risk that it may place pressure on Primary's existing bulk-billing practice and impact the financial performance of that business.
- Primary's strategy of delivering more flexible, capital-light contract models to appeal to a wider cohort of health care professionals may not be effective in driving the recruitment of new health care professionals or in retaining existing health care professionals. If higher spend is required on health care professionals' recruitment and/or retention, Primary's profitability may be reduced.
- Primary has announced a number of important business transformation projects, including:
 - a comprehensive Medical Centres' improvement program across people, processes and property, designed to grow recruitment, retention and profitability into the future;
 - the implementation of a new laboratory information system in its Pathology business, a complex program which involves a significant internal technology component, standardization risks and a high degree of organisational change;
 - the implementation of the Imaging Core Application Refresh (ICAR) project; and
 - the implementation of a number of contemporary support systems and IT platforms for people, finance and technology infrastructure management.

KEY RISKS (CONT'D)

1.1 RISKS ASSOCIATED WITH PRIMARY'S OPERATIONS (CONT'D)

Primary's business strategies and transformation projects may not be successful (cont'd)

In undertaking this significant transformation program to position itself for future growth and sustainability, there is a risk that significant change may impact upon current operational focus. A failure to deliver the transformation plans on time and within budget may adversely impact on the financial performance, position and future prospects of Primary. In addition, a failure to successfully manage the required extensive change in existing business processes and migration of existing systems and data to new platforms may have an adverse impact on customer service, financial performance, regulatory compliance and future competitiveness.

Primary may not be successful in attracting and retaining the best people to drive the execution of its strategies and business transformations. Key individuals may be lost, including to competitors. This may result in disruption and decreased performance.

Ineffective implementation of these and other strategies may adversely impact the performance, growth and sustainability of Primary.

In addition, Primary intends to seek growth through targeted and strategic acquisitions where opportunities to do so arise (including the potential acquisition described on slides 19 and 20 of this presentation). While Primary will undertake an appropriate strategic assessment of, and will conduct due diligence enquiries in relation to, businesses it may seek to acquire, it is possible that the actual results achieved by any acquired business are different to those indicated by Primary's analysis. It is also possible that Primary's due diligence may not uncover all the potential liabilities associated with the businesses, or that the information provided to Primary during due diligence proves to be unreliable. In addition, there are risks that the integration of such business could be more complex than envisaged such that benefits may not be realised in the time anticipated, or at all. It is also possible that a lack of capability to effectively manage the acquisition process may lead to the failure of the transaction and a failure by Primary to acquire the target business. As a result, there is a risk that the profitability and future earnings of Primary may be materially different from that assumed in Primary's strategic assessment of the opportunity and which may have an adverse impact on Primary's operations, financial position and future prospects.

Medical indemnity claims and costs

Primary generally has contractual arrangements with each doctor (or other health service provider) practicing in Primary's medical centres, which provide, among other things, that:

- a) the health service provider is liable for, and indemnifies Primary against, any liability whatever arising from the health service provider rendering healthcare services; and
- b) the health service provider must at the health service provider's own cost maintain his or her own professional indemnity insurance.

KEY RISKS (CONT'D)

1.1 RISKS ASSOCIATED WITH PRIMARY'S OPERATIONS (CONT'D)

Medical indemnity claims and costs (cont'd)

However, despite these contractual arrangements, healthcare companies are exposed to the risk of medical indemnity or like claims and litigation. Primary is also directly exposed to such claims where it is the provider of the service, such as in its Pathology division. While all laboratory test methods must meet scientifically rigorous criteria before they can be used in clinical practice, there remains the possibility for inaccurate test results. Current or former patients may, in the normal course of business, start or threaten litigation for medical negligence against not only the health service provider in question but also Primary.

Pathology testing may be subject to benchmarking by regulatory authorities, for example cervical and bowel cancer screening programs. In the event that benchmarks are not met, this may lead to further steps which may in turn result in financial or reputational risk to Primary.

Subject to the medical indemnity insurance arrangements which Primary has in place at the relevant time, future medical malpractice litigation, or threatened litigation, or regulatory action, against Primary could be costly to deal with, result in a substantial damages award or fine and divert the attention of management from Primary's operations, which could have an adverse effect on Primary's financial performance.

Further, if the costs of medical malpractice insurance were to rise (which may occur if the frequency of medical malpractice litigation were to increase or as a result of other factors), this could also have an adverse impact on Primary's financial performance and position and future prospects. If Primary is involved in actual or threatened litigation or regulatory action, the cost of such actions may also adversely affect Primary's financial performance.

Loss of key contracts

Loss of key revenue raising commercial contracts (such as contracts with hospitals and employers and government contracts) due to failure to meet required service levels, breach of contract or failure to secure the contract when re-tendered may have an adverse impact on Primary's financial and operational performance.

Loss of key personnel

The successful operation of Primary's business relies on Primary's ability to retain experienced and high-performing key management and operating personnel. The unexpected loss of any key members of management or operating personnel, or the inability on the part of Primary to attract experienced personnel, may adversely affect Primary's ability to develop and implement its business strategies and the ongoing implementation of the business transformation and may in turn adversely affect Primary's future revenue and profitability and its prospects for growth.

A loss of key staff may also risk the loss of significant corporate knowledge and intellectual property.

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KEY RISKS (CONT'D)

1.1 RISKS ASSOCIATED WITH PRIMARY'S OPERATIONS (CONT'D)

Competition risks

Primary operates in markets with established competitors and faces competitive pressures. There is a risk that the actions of Primary's current or future competitors will negatively affect Primary's ability to attract and retain Health Care Professionals to practice in Primary's medical centres or secure attractive locations for collection centres in its pathology business. Competitors bidding up rents at collection centre sites or securing leases at those sites when Primary's leases terminate could further increase rental costs. These events may adversely impact Primary's financial performance through reduced revenues or increased costs.

Competition may also come from new disruptive technologies that may change the way services are delivered. The success of Primary's business is dependent on acquiring and maintaining an effective and competitive equipment base. The development of new technologies or refinements of existing modalities could make Primary's existing systems technologically or economically obsolete, or reduce the need or demand for its systems. In turn, this may require Primary to upgrade and enhance its existing equipment before it may otherwise intend. In addition, advances in technology may enable physicians and others to perform diagnostic imaging services currently undertaken by Primary.

Any failure by Primary to anticipate and respond to new technologies could materially adversely affect Primary's ability to deliver services in an efficient and effective manner, which could have a negative impact on Primary's financial performance and prospects.

Primary's information systems may fail

Primary relies on its information systems to perform key functions critical to its ability to operate equipment, store and transmit images and schedule and invoice patients.

Primary's information technology system is vulnerable to damage or interruption from a number of sources, including:

- a) earthquakes, fires, floods and other natural disasters;
- b) power losses, computer systems failures, internet and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic losses of data and similar events; and
- c) computer viruses, and cyber security attacks seeking to disrupt operations or misappropriate information and other breaches of security.

Prolonged disruption or corruption of databases or laboratory information systems has the ability to cause significant delays in testing and issuing of results. Any damage or interruption to Primary's information systems, including any failure of Primary's business continuity plans or disaster recovery systems, could result in a material loss of referrals and could significantly curtail, directly and indirectly, Primary's ability to conduct its business and generate revenue and could result in significant costs being incurred, for example to rebuild internal systems, respond to regulatory inquiries or actions, pay damages, or take other remedial steps with respect to third parties and cause negative publicity and reputational damage.

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KEY RISKS (CONT'D)

1.1 RISKS ASSOCIATED WITH PRIMARY'S OPERATIONS (CONT'D)

Loss or misuse of personal information

Primary's operations rely on the secure processing, transmission and storage of confidential, proprietary and other information in its computer systems and networks. Primary's facilities and systems may be vulnerable to privacy and security incidents, security attacks and breaches, acts of vandalism or theft, computer viruses, emerging cybersecurity risks, misplaced or lost data, programming and/or human errors or other similar events.

Any security breach involving the misappropriation, loss or other unauthorised disclosure or use of confidential information, including protected health information, financial data, commercially sensitive information, or other proprietary data, whether by Primary or a third party, could have a material adverse effect on Primary's business, reputation, financial condition, cash flows, or results of operations. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data, cessations in the availability of systems, potential liability and regulatory action or liability under privacy and security laws, all of which could have a material adverse effect on Primary's financial position and results of operations and harm Primary's business reputation.

Failure of equipment and machinery

Primary relies on high utilisation rates on its imaging systems and other medical equipment in order to provide timely, effective service. Failures or breakdowns to equipment may take time to repair and may lead to a loss of revenue, for which warranty and maintenance contracts may not fully compensate Primary. Further, repairs and servicing may not be able to be performed in a timely manner. If Primary experiences greater than anticipated system malfunctions or if it is unable to promptly obtain the service necessary to keep its systems functioning effectively, Primary's revenues could decline and its ability to provide services could be harmed.

Work, health and safety risk

Healthcare operators such as Primary are subject to extensive laws and regulations governing health and safety matters, protecting both the public and its employees. Any breach of these obligations could adversely affect the results of Primary and its reputation, and expose it to claims for financial compensation or adverse regulatory consequences.

KEY RISKS (CONT'D)

1.1 RISKS ASSOCIATED WITH PRIMARY'S OPERATIONS (CONT'D)

Industrial relations and wage pressure

Many of Primary's employees are covered by modern awards, enterprise bargaining agreements and other workplace agreements, which periodically require classification assessment, or renegotiation and renewal. In relation to EBAs and other workplace agreements, issues may arise in the course of such renegotiations which may lead to strikes or other forms of industrial action that could disrupt Primary's operations. Further, any such renegotiation could result in increased direct and indirect labour costs for Primary, particularly in circumstances of low unemployment or competition for personnel. Disputes may also arise over award classifications or interpretations.

Industrial action in laboratories, collection centres or couriers has the ability to damage the reputation of the business on a state by state basis or nationally. There are also possible consequences for Primary arising from industrial disruption offshore where data entry services are sourced.

If any of these events occur, it may adversely impact on the financial performance, position and future prospects of Primary.

Insurance

Primary currently maintains insurance within ranges of coverage including professional indemnity and general liability insurance. For workers compensation, Primary adopts an approach of self-insurance and purchasing insurance, on a state-by-state basis. However, no guarantee can be given that such insurance will be available in the future on commercially attractive terms, or that such cover will be adequate and available to cover claims. Primary may be unable to secure insurance to satisfactorily cover all anticipated risks or the cost of insurance may increase above anticipated levels. This may result in increased insurance payments by Primary or Primary being unable to insure certain business risks, which could adversely impact its operations.

Damage to reputation and adverse publicity

Primary's ability to retain existing health care professionals and patients and attract new clients is dependent on its experience, knowledge, skills, reputation and relationships. Reputational damage could arise due to a number of circumstances, including error, malpractice or negligence of Primary's employees, poor service levels delivered to customers, outdated facilities and equipment, adverse media coverage, litigation or a breach of legislation. Any event that adversely affects Primary's reputation and good name may result in significant damage to the brand and may impact Primary's ability to maintain existing business or generate new business, resulting in a material adverse impact on financial performance or financial position.

KEY RISKS (CONT'D)

1.1 RISKS ASSOCIATED WITH PRIMARY'S OPERATIONS (CONT'D)

Inability to access capital markets or refinance debt on attractive terms

Primary may require funding or working capital in the future in order to fund its operations. Given the nature of Primary's revenue profile and the potentially capital intensive nature of its business, there is no assurance that any such additional capital or funding will be available on favourable terms or at all and that Primary will be able to comply with the terms of such facilities. If adequate funds are not available, Primary may not be able to achieve its performance targets or respond to competitive pressures.

Primary may finance its investment in new facilities with borrowed funds or gearing. Geared assets magnify investment gains or losses and increase the volatility of returns to movements in interest rates and property values.

In addition, bad debts or delays in receiving expected revenue could impact on the financial performance and position and future prospects of Primary.

1.2 GENERAL RISKS

Adverse interest rate movements

A significant adverse movement in interest rates could have an unacceptable impact on Primary's earnings.

Under Primary's existing debt facilities, Primary has floating rate borrowings, part of which may be required to be hedged by way of interest rate swaps into fixed rate payments. Changes in interest rates will affect Primary's borrowings which bear interest at floating rates. Any increase in interest rates will affect Primary's cost of servicing these borrowings and could adversely affect its financial performance and position and future prospects.

Adverse movements in operating costs

Primary incurs various expenses which may be outside its control in operating its businesses. Examples include rental costs, relocation costs where leases are not renewed, electricity, gas and water charges, and consumables used in the provision of medical services in Primary's facilities. Due to supply and demand issues affecting Primary's operating costs, Primary may be subject to increased costs which could lead to adverse effects on Primary's business and its financial performance.

Dividends

The payment of dividends on Primary's shares is dependent on a range of factors including Primary's profitability, the availability of cash and capital requirements. Any future dividend levels will be determined by the Primary board having regard to its operating results and financial position at the relevant time. There is no guarantee that any dividend will be paid by Primary or, if paid, that they will be paid at previous levels.

KEY RISKS (CONT'D)

1.2 GENERAL RISKS (CONT'D)

Dilution

Your percentage shareholding in Primary will be diluted if you do not participate to the full extent in the Entitlement Offer and you will not be exposed to future increases or decreases in Primary's share price in respect of the New Shares which would have been issued to you had you taken up your full entitlement.

Underwriting risk

The underwriting agreement relating to the Entitlement Offer sets out various events, the occurrence of which will entitle the underwriters to terminate the underwriting agreement. Accordingly, there is a risk that the underwriters may terminate its obligations under the underwriting agreement if any such events occur. These events include (but are not limited to the following):

- » Primary is removed from the official list of ASX or Primary's shares are suspended from quotation on ASX;
- » the ASX/S&P 200 Index falls below an agreed level, on any of:
 - 1) close of business on any trading day up to (and including) the Institutional Settlement Date;
 - 2) close of business for any 2 consecutive trading days during the period from the Institutional Settlement Date until (and including) the settlement date for the Retail Entitlement offer; or
 - 3) close of business on the trading day immediately prior to the settlement date for the Retail Entitlement offer;
- » Primary alters its capital structure without the consent of the underwriters, other than by issuing Shares pursuant to the terms of the Offer;
- » Primary or any of its related bodies corporate becomes insolvent;
- » * there is an adverse change (or an event that is likely to lead to an adverse change) in the assets, liabilities, financial position, results, condition, operations or prospects of the Primary group, from the position fairly disclosed by Primary to ASX prior to the date of the underwriting agreement or in the Offer announcement;
- » any statement in the materials published in connection with the Offer becomes misleading or deceptive (including by omission);
- » Primary or any of its affiliates, directors or officers engage in any fraudulent conduct or activity;
- » a director or senior manager of Primary is charged with an indictable offence relating to financial or corporate matters or a director of Primary is disqualified from managing a corporation;
- » a change in the Chief Executive Officer or Chairman of Primary occurs;

KEY RISKS (CONT'D)

1.2 GENERAL RISKS (CONT'D)

Underwriting risk (cont'd)

- » * a change in other senior management or the directors of Primary occurs; or
- » ASIC issues or gives notice of an intention to issue proceedings or commences any inquiry or investigation in relation to the Offer; or
- » * Primary breaches the underwriting agreement or any of the representations or warranties given by it under the underwriting agreement.

The ability of the underwriters to terminate the underwriting agreement in respect of some events (denoted with an asterisk (*) above) will depend on whether in the actual and reasonable opinion of that underwriter, the event has, or is likely to have, a material adverse effect on the success, marketing or settlement of the Offer, the value of Primary's shares or the willingness of investors to subscribe for New Shares, or the business, financial position or prospects of the Primary group, or the event leads, or is likely to lead to, a contravention by that underwriter (or one of its affiliates) of, or that underwriter (or one of its affiliates) being involved in a contravention of, the Corporations Act or any other applicable law or to a liability of that underwriter (or one of its affiliates) under the Corporations Act or any other applicable law.

Investment in capital markets

The price of Primary shares on the ASX may rise or fall due to numerous factors, including:

- a) Australian and international general economic conditions, including inflation rates, the level of economic activity, interest rates and currency exchange rates;
- b) tensions and acts of terrorism in Australia and around the world; and
- c) investor perceptions in the local and global markets for listed securities.

Primary shares may trade below the offer price and no assurances can be given that Primary's market performance will not be materially adversely affected by any such market fluctuations or factors. Neither Primary, nor any of its directors or any other person, guarantees Primary's market performance.

Changes to accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB). Changes to accounting standards issued by the AASB could materially adversely affect Primary's reported results in any given period or Primary's financial condition from time to time.

KEY RISKS (CONT'D)

1.2 GENERAL RISKS (CONT'D)

Tax changes

Any change to the taxation of shares (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax) may adversely impact on Primary shareholder returns, as may a change to the tax payable by Primary shareholders in general. Any other changes to Australian tax law and practice that impact Primary, or the aged care industry generally, could also have an adverse effect on Primary shareholder returns.

General economic risks

The operating and financial performance of Primary is influenced by a variety of general economic and business conditions, including inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions could adversely impact the operating and financial performance of Primary.

FOREIGN SELLING RESTRICTIONS

This Presentation does not constitute an offer of New Shares of Primary in any jurisdiction in which it would be unlawful. In particular, this Presentation may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

British Virgin Islands

The New Shares may not be offered in the British Virgin Islands unless Primary or any person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands. Primary is not licensed to carry on business in the British Virgin Islands. The New Shares may be offered to British Virgin Islands business companies from outside the British Virgin Islands without restriction.

Canada (British Columbia, Ontario and Quebec provinces)

This Presentation constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This Presentation is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This Presentation may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this Presentation, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and received by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

Primary as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Primary or its directors or officers. All or a substantial portion of the assets of Primary and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Primary or such persons in Canada or to enforce a judgment obtained in Canadian courts against Primary or such persons outside Canada.

Any financial information contained in this Presentation has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this Presentation are in Australian dollars.

FOREIGN SELLING RESTRICTIONS (CONT'D)

Canada (British Columbia, Ontario and Quebec provinces) (cont'd)

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this Presentation (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Primary if this Presentation or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Primary. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this Presentation contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against Primary, provided that (a) Primary will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, Primary is not liable for all or any portion of the damages that Primary proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 136 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this Presentation is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

FOREIGN SELLING RESTRICTIONS (CONT'D)

Canada (British Columbia, Ontario and Quebec provinces) (cont'd)

Language of documents in Canada. Upon receipt of this Presentation, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

China

The information in this document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors", sovereign wealth funds and quasi-government investment funds.

European Economic Area - Denmark, Germany, Luxembourg, Netherlands and Spain

This Presentation has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- ▶ to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II") and the MiFID II Delegated Regulation (EU) 2017/565;
- ▶ to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- ▶ to any person or entity who has requested to be treated as a professional client in accordance with MiFID II; or
- ▶ to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565.

FOREIGN SELLING RESTRICTIONS (CONT'D)

France

This Presentation is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This Presentation and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Hong Kong

WARNING: This Presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this Presentation or to permit the distribution of this Presentation or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Presentation, you should obtain independent professional advice.

FOREIGN SELLING RESTRICTIONS (CONT'D)

Ireland

The information in this Presentation does not constitute a prospectus under any Irish laws or regulations and this Presentation has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(I) of the Prospectus Regulations.

Italy

The offering of the New Shares in the Republic of Italy has not been authorized by the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa, "CONSOB") pursuant to the Italian securities legislation and, accordingly, no offering material relating to the New Shares may be distributed in Italy and the New Shares may not be offered or sold in Italy in a public offer within the meaning of Article 1.1(t) of Legislative Decree No. 58 of 24 February 1998, as amended ("Decree No. 58"), other than:

- to qualified investors ("Qualified Investors"), as defined in Article 100 of Decree No. 58 by reference to Article 34-ter of CONSOB Regulation no. 11971 of 14 May 1999, as amended ("Regulation No. 11971"); and
- in other circumstances that are exempt from the rules on public offer pursuant to Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the New Shares or distribution of any offer document relating to the New Shares in Italy (excluding placements where a Qualified Investor solicits an offer from the issuer) under the paragraphs above must be:

- made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (as amended), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007 (as amended) and any other applicable laws;
- in compliance with Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and
- in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws.

Investors should also note that, in any subsequent distribution of New Shares in Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, when New Shares are placed solely with Qualified Investors and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of New Shares who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the New Shares were purchased, unless an exemption under Decree No. 58 applies.

FOREIGN SELLING RESTRICTIONS (CONT'D)

New Zealand

This Presentation has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Primary with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This Presentation has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this Presentation shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This Presentation and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Presentation and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

FOREIGN SELLING RESTRICTIONS (CONT'D)

Singapore (cont'd)

This Presentation has been given to you on the basis that you are (i) an existing holder of Primary's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Presentation immediately. You may not forward or circulate this Presentation to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Sweden

This Presentation has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this Presentation may not be made available, nor may the New Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument). Any offering of New Shares in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this Presentation and they may not distribute it or the information contained in it to any other person.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this Presentation nor any other offering material relating to the New Shares (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 et seq. of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this Presentation will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this Presentation nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This Presentation is personal to the recipient and not for general circulation in Switzerland.

FOREIGN SELLING RESTRICTIONS (CONT'D)

United Kingdom

Neither this Presentation nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This Presentation is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this Presentation, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Presentation should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Primary.

In the United Kingdom, this Presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Presentation relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Presentation or any of its contents.

United States

This Presentation may not be distributed or released in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which, or to any person to whom, such an offer would be illegal. Neither the New Shares nor the entitlements have been, or will be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, neither the New Shares nor the entitlements may be offered, sold or resold, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold ordinary shares in the Company and are acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or jurisdiction of the United States.

Institutional Entitlement Offer completion announcement

ASX Announcement (ASX: PRY)

ASX Limited
Market Announcements Office
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

PRIMARY
HEALTH CARE LIMITED

ACN 064 530 516
REGISTERED OFFICE:
LEVEL 6
203 PACIFIC HIGHWAY
ST LEONARDS NSW 2065
TEL: +61 2 9432 9400
FAX: +61 2 9432 9447

22 August 2018

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

PRIMARY SUCCESSFULLY COMPLETES INSTITUTIONAL ENTITLEMENT OFFER

Primary Health Care (ASX: PRY) ("Primary") is pleased to announce the successful completion of the institutional component of its 1 for 5.21 accelerated pro rata non-renounceable entitlement offer ("Institutional Entitlement Offer") announced on 20 August 2018.

The Institutional Entitlement Offer raised approximately \$157 million at \$2.50 per share ("Offer Price"), and was strongly supported by eligible institutional shareholders, who took up approximately 99% of their entitlements. The institutional shortfall bookbuild for renounced entitlements and entitlements attributable to ineligible institutional shareholders attracted strong demand from both existing Primary shareholders and other institutional investors.

Primary Managing Director and Chief Executive Officer, Dr Malcolm Parmenter said: "We are pleased by the strong support shown by shareholders for the offer and for our strategic growth initiatives. Management is committed to deploying this capital efficiently and effectively and to delivering returns for our shareholders."

New shares issued under the Institutional Entitlement Offer will rank equally with existing shares but will not qualify for the financial year 2018 final dividend. The new shares issued under the Institutional Entitlement Offer are expected to be allotted on Wednesday, 29 August 2018. Trading will commence on a normal settlement basis on the Australian Securities Exchange ("ASX") on the same day.

Commencement of the Retail Entitlement Offer

The retail component of the Entitlement Offer, which has been fully underwritten, is expected to raise a further \$93 million ("Retail Entitlement Offer").¹

The Retail Entitlement Offer will open on Monday, 27 August 2018 and close at 5.00pm (Sydney) on Friday, 7 September 2018.

Eligible retail shareholders on the Record Date of 7.00pm (Sydney) on Wednesday, 22 August 2018 have the opportunity to invest in shares at the Offer Price. The terms and conditions under which eligible retail shareholders may apply are outlined in the Retail Information Booklet which will be despatched to eligible retail shareholders on Monday, 27 August 2018. Copies of the Retail Information Booklet will be available on the ASX website and our website at www.primaryhealthcare.com.au from Monday, 27 August 2018. In deciding whether or not to participate in the Retail Entitlement Offer, eligible retail shareholders should read the Retail Information Booklet carefully.

Retail shareholders with a registered address outside Australia and New Zealand on the Record Date will be ineligible to participate in the Retail Entitlement Offer.

¹ Jangho Group, a major shareholder, has provided an irrevocable commitment to subscribe for 100% of its pro rata share of the Entitlement Offer, which will be settled as part of the Retail Entitlement Offer.

Primary expects its trading halt to be lifted and Primary shares to recommence trading from market open today.

Entitlement Offer timetable

A timetable of key dates in relation to the Entitlement Offer is set out below. The timetable is indicative only and dates and times are subject to change without notice.

Event	Date (2018)
Trading halt and announcement of Entitlement Offer	Monday, 20 August
Institutional Entitlement Offer and Institutional Bookbuild opens	Monday, 20 August
Institutional Entitlement Offer and Institutional Bookbuild closes	Tuesday, 21 August
Trading halt lifted and announcement of results of Institutional Entitlement Offer	Wednesday, 22 August
Record Date under the Entitlement Offer	Wednesday, 22 August (7.00pm)
Retail Information Booklet despatched and Retail Entitlement Offer opens	Monday, 27 August
Institutional Settlement date and Dividend Record Date	Tuesday, 28 August
Institutional Allotment and Trading Date	Wednesday, 29 August
Retail Entitlement Offer closes	Friday, 7 September (5.00pm)
Retail Allotment Date	Friday, 14 September
Retail Trading Date	Monday, 17 September

The above timetable is indicative and subject to variation. Primary reserves the right to alter the timetable at its absolute discretion and without notice, subject to ASX Listing Rules and Corporations Act 2001 (Cth) and other applicable law. All dates and times refer to Australian Eastern Standard Time (AEST).

Retail Investor Enquiries

For further information in regard to the Retail Entitlement Offer, please contact the Primary Health Care Limited Entitlement Offer Information Line on 1300 850 505 (within Australia) or on +61 3 9415 4000 (outside Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

ENDS

For further information contact:

Investors and analysts

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Media

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About Primary: For over 30 years, Primary Health Care has been one of Australia's leading listed healthcare companies with a commitment to supporting quality, affordable and accessible healthcare for all Australians. Through an expansive network of multi-disciplinary medical centres, pathology laboratories and diagnostic imaging centres, Primary provides world class facilities and support services to independent GPs, radiologists, specialists and other healthcare practitioners, enabling them to deliver quality care to patients in partnership with Primary's pathologists, nurses and other employees. Primary's

'medical home' model makes healthcare services easily accessible and cost efficient, while enabling the coordination and continuity of patient care.

Important information

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

Not for release or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this announcement nor anything attached to this announcement shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the new shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be exercised or taken up by, and the new shares may not be offered or sold, directly or indirectly, to persons in the United States unless they have been registered under the U.S. Securities Act (which Primary has no intention or obligation to do or procure) or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

Forward-looking Statements

You should note that this announcement may contain certain "forward-looking statements", including but not limited to Primary's future financial performance and outlook, and that such forward-looking statements are provided for illustrative purposes only and are not indicative of Primary's actual performance for the relevant period; are based on assumptions and contingencies that are subject to change and involve known and unknown risks and uncertainties and other factors that are beyond the control of Primary and may not be reliably predictable; and should not be relied upon as an indication or guarantee of future performance, and that actual results, performance and achievements may differ materially from those expressed or implied in such forward-looking statements and any assumptions on which these statements are based.

Section 6: Taxation

Introduction

Set out below is a summary of the Australian income tax, goods and services tax (GST) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders who are residents of Australia for income tax purposes and who hold their Primary Shares (and will hold their New Shares) on capital account.

The summary below does not apply to Eligible Retail Shareholders who:

- ▶ hold their Primary Shares (or will hold their New Shares) as revenue assets (such as assets used in carrying on a business of share trading, banking or insurance), or as trading stock or those who have acquired Primary Shares for the purpose of on-sale at a profit;
- ▶ acquired the Primary Shares in respect of which their Retail Entitlements are issued under any employee share scheme or where New Shares are acquired pursuant to any employee share scheme; or
- ▶ may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents.

This taxation summary is based on the Australian tax law as it applies as at 9.00am on the date of this Retail Information Booklet. Other than as expressly discussed or specified, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time. This summary also does not take account of any individual circumstances of any particular Eligible Retail Shareholder and does not constitute tax advice. It does not purport to be a complete analysis of the potential tax consequences of the Retail Entitlement Offer and is intended as a general guide to the Australian tax implications. Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisors.

6.1. Issue of Retail Entitlements

The issue of a Retail Entitlement should not, of itself, result in any amount being included in your assessable income.

6.2. Exercise of Retail Entitlements

You will acquire New Shares where you exercise all or part of your Retail Entitlements under the Retail Entitlement Offer.

You should not derive any assessable income, or make any capital gain or loss, at the time of exercising (i.e. taking up) your Retail Entitlement.

For Australian Capital Gains Tax (CGT) purposes, the New Shares will be acquired on the day that you exercise your Retail Entitlement.

If you exercise all or part of your Retail Entitlement, the cost base of New Shares for CGT purposes will be equal to the Offer Price payable by you for those New Shares plus certain non-deductible incidental costs you incur in acquiring them. You will need to apportion any non-deductible incidental costs incurred in relation to exercising your Retail Entitlement across each New Share on a reasonable basis.

6.3. Lapse of Retail Entitlement

If you do not take up all or part of your Retail Entitlement in accordance with the instructions set out above, then that Retail Entitlement will lapse and you will not receive any consideration for

your Retail Entitlement that is not taken up. There should be no tax implications for you from the lapse of your Retail Entitlement.

6.4. Dividends on New Shares

Any future dividends or other distributions made in respect of New Shares will be subject to the same income taxation treatment as dividends or other distributions made on Primary Shares held in the same circumstances.

6.5. Disposal of New Shares

Each New Share will constitute a separate CGT asset. The disposal of a New Share will constitute a disposal for CGT purposes.

On disposal of a New Share, you will make a capital gain if the capital proceeds on disposal exceed the cost base of the New Share. You will make a capital loss if the capital proceeds are less than the reduced cost base of the New Share. The cost base of New Shares is described above in Section 6.3.

If you are an individual, trustee or complying superannuation entity that has held New Shares for 12 months or more at the time of disposal (not including the date of acquisition or disposal) you should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and trustees and 33 $\frac{1}{3}$ % for complying superannuation entities.

You will be taken to have acquired New Shares on the day you exercise your Retail Entitlement. Accordingly, to be eligible for the CGT discount, you must have held New Shares for at least 12 months after the date that you exercised your Retail Entitlement.

If you make a capital loss, you can only use that loss to offset other capital gains; i.e. the capital loss cannot be used against taxable income on revenue account. However, if the capital loss cannot be used in a particular income year, you can carry it forward to use in future income years, providing certain loss utilisation tests are satisfied.

6.6. Taxation of Financial Arrangements (TOFA)

The TOFA provisions operate to make assessable or deductible, gains or losses arising from certain 'financial arrangements' (importantly, the CGT discount is not available for any gain that is subject to the TOFA provisions).

The application of the TOFA provisions depend on your specific facts and circumstances. You should seek advice from an appropriate professional advisor in relation to the implications of the TOFA provisions to you.

6.7. Provision of TFN and/or ABN

Primary may be required to withhold tax from you on payments of dividends that are not fully franked, at the specified rate, and remit such amounts to the ATO, unless you have provided an Australian Business Number (ABN), Tax File Number (TFN), or you have informed us that you are exempt from quoting your TFN or ABN.

You are not required to provide your TFN or ABN to Primary, however you may choose to do so. If you have previously quoted your ABN, TFN, or have notified us that an exemption from quoting your TFN/ABN exists, that quotation or exemption will also apply in respect of any New Shares acquired by you.

6.8. Other Australian taxes

No GST or stamp duty should be payable by you in respect of the issue or taking up of Retail Entitlements, or the acquisition of New Shares, pursuant to the Retail Entitlement Offer.

Section 7: Additional information

This Retail Information Booklet (including the enclosed Announcements) and attached personalised Entitlement and Acceptance Form have been prepared by Primary.

This Retail Information Booklet (other than the Announcements) is dated 27 August 2018. The Announcements are current as at 27 August 2018. This Retail Information Booklet remains subject to change without notice, and Primary is not responsible for updating this Retail Information Booklet.

There may be additional announcements that have been made by Primary after 27 August 2018 and throughout the Retail Entitlement Offer Period that may be relevant in your consideration of whether to take part in the Retail Entitlement Offer. Therefore, it is prudent that you check whether any further announcements have been made by Primary before submitting an Application.

No party other than Primary has authorised or caused the issue of this Retail Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Information Booklet.

For the avoidance of doubt, to the maximum extent permitted by law, the Underwriters and its affiliates, related bodies corporate, officers, employees, agents and advisors disclaim all liability, including (without limitation) liability arising from fault or negligence, for any loss howsoever and whenever arising from the use of any of the information contained in this Retail Information Booklet, and the Underwriters do not act as a fiduciary or agent of each other or any other person.

This information is important and requires your immediate attention.

You should read this Retail Information Booklet in full before deciding how to deal with your Retail Entitlement. In particular, you should consider the risk factors outlined in the “Key Risks” section of the enclosed Investor Presentation, which could affect the operating and financial performance of Primary or the value of an investment in Primary.

You should consider these risk factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Retail Entitlement. It is recommended that you seek professional advice from a licensed advisor before deciding whether or not to participate in the Retail Entitlement Offer.

7.1. Trading of New Shares

Primary has applied to the ASX for official quotation of the New Shares. If ASX does not grant quotation of the New Shares, Primary will repay all Application Monies (without interest). Subject to approval being granted, it is expected that trading of New Shares on ASX will commence on 17 September 2018 on a normal settlement basis.

Primary, the Underwriters and their advisors will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe have been issued to them before they receive their holding statements, whether on the basis of a confirmation of issue provided by Primary or the Registry or otherwise or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should seek professional advice.

7.2. Eligible Retail Shareholders

This Retail Information Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia and New Zealand and has been prepared in accordance with section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73).

Primary may (in its absolute discretion) extend the Retail Entitlement Offer to any Institutional Shareholders in foreign jurisdictions which did not participate in the Institutional Entitlement Offer (excluding the United States and subject to compliance with applicable laws).

7.3. Ranking of New Shares

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Primary Shares, however, New Shares will not be entitled to the final FY18 dividend of 5.5 cents per share.

The rights attaching to the New Shares are set out in Primary's Constitution and are regulated by the Corporations Act, ASX Listing Rules and general law.

7.4. Rounding of New Shares

Where fractions arise in the calculation of Retail Entitlements, they will be rounded up to the next whole number of New Shares.

7.5. Reconciliation and the rights of Primary and the Underwriters

As with any entitlement offer, investors may believe that they own more Primary Shares on the Record Date than they ultimately do, or are otherwise entitled to more New Shares than initially offered to them. These matters may result in a need for reconciliation to ensure all Eligible Retail Shareholders have the opportunity to receive their full Retail Entitlement.

If reconciliation is required, it is possible that Primary may need to issue a small quantity of additional New Shares (**Top-Up Shares**) to ensure that all Eligible Retail Shareholders have the opportunity to receive their full Retail Entitlements. The price at which these Top-Up Shares will be issued will be the same as the Offer Price.

Primary also reserves the right to reduce the number of New Shares issued to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders, if their Retail Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Retail Entitlement claims, or if they are not Eligible Retail Shareholders. In that case, Primary may, at its discretion, require the relevant Shareholder to transfer excess New Shares to the Underwriters at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer Primary Shares held by them or purchase additional Primary Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Retail Entitlement, and any actions they are required to take in this regard.

By applying under the Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by Primary in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Primary or the Underwriters to require any of the actions set out above.

7.6. No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted.

7.7. No entitlements trading

Retail Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

7.8. Not financial product advice

This Retail Information Booklet is not a prospectus, product disclosure statement or other offering

document under Australian law or any other law (and will not be lodged with ASIC or any foreign regulator). This Retail Information Booklet is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction. Any Eligible Retail Shareholder who wishes to participate in the Retail Entitlement Offer should consider this Retail Information Booklet in full. Any Eligible Retail Shareholder who wishes to subscribe for and purchase New Shares will need to follow the instructions contained in this Retail Information Booklet and the Entitlement and Acceptance Form which accompanies it. This Retail Information Booklet does not constitute investment or financial product advice or any recommendation to acquire Primary Shares or New Shares and does not and will not form any part of any contract for the acquisition of New Shares.

Each recipient of this Retail Information Booklet should make their own enquiries and investigations regarding all information in this Retail Information Booklet, including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Primary and the impact that different future outcomes may have on Primary. This Retail Information Booklet has been prepared without taking account of any person's investment objectives, financial situation or particular needs.

Before making an investment decision, Eligible Retail Shareholders should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, make their own assessment of the information and seek advice appropriate to their jurisdiction in relation to the information and any action taken on the basis of the information. Any reference to, or explanations of legislation, regulatory issues or any other legal commentary (if any) are indicative only, and do not summarise all relevant issues and are not intended to be a full explanation of a particular matter. Primary is not licensed to provide financial product advice in respect of Primary Shares.

If, after reading this Retail Information Booklet, you have any questions about whether you should invest in the Retail Entitlement Offer, you should seek professional advice from a licensed advisor before making any investment decision.

Nominees and custodians may not distribute any part of this Retail Information Booklet in the United States or in any other country outside Australia and New Zealand except (i) Australian and New Zealand nominees may send this Retail Information Booklet and related offer documents to beneficial holders who are professional or institutional holders in other countries (other than the United States) listed in, and to the extent permitted under, the Investor Presentation and (ii) to beneficial holders in other countries (other than the United States) where Primary may determine it is lawful and practical to make the Retail Entitlement Offer.

7.9. Financial data

All dollar values in this Retail Information Booklet are in Australian dollars (A\$).

7.10. Underwriting

The Entitlement Offer is underwritten by the Underwriters and Primary and the Underwriters have entered into an Underwriting Agreement. Any New Shares which are not taken up by Eligible Retail Shareholders pursuant to their Retail Entitlement will form part of the Retail Shortfall to be taken up by the Underwriters or sub-underwriters, on the terms and conditions of the Underwriting Agreement.

Customary with these types of arrangements, pursuant to the Underwriting Agreement:

- ▶ Primary has agreed, subject to certain exceptions, to indemnify the Underwriters, their related bodies corporate and affiliates, and their respective directors, officers, agents or employees against any losses they may suffer or incur in connection with the Entitlement Offer, the Entitlement Offer materials or the appointment of the Underwriters under the Underwriting Agreement;
- ▶ Primary and the Underwriters have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer;

- ▶ the Underwriters may (in certain circumstances having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:
 - Primary is removed from the official list of ASX or Primary's shares are suspended from quotation on ASX;
 - the ASX/S&P 200 Index falls below an agreed level, on any of:
 - (1) close of business on any trading day up to (and including) the settlement date for the Institutional Entitlement Offer;
 - (2) close of business for any 2 consecutive trading days during the period from the settlement date for the Institutional Entitlement Offer until (and including) the settlement date for the Retail Entitlement Offer; or
 - (3) close of business on the trading day immediately prior to the settlement date for the Retail Entitlement Offer;
- ▶ Primary alters its capital structure without the consent of the Underwriters, other than by issuing New Shares pursuant to the terms of the Entitlement Offer;
- ▶ Primary or any of its related bodies corporate becomes insolvent;
- ▶ * there is an adverse change (or an event that is likely to lead to an adverse change) in the assets, liabilities, financial position, results, condition, operations or prospects of the Primary group, from the position fairly disclosed by Primary to ASX prior to the date of the Underwriting Agreement or in the ASX Announcement;
- ▶ any statement in the materials published in connection with the Entitlement Offer becomes misleading or deceptive (including by omission);
- ▶ Primary or any of its affiliates, directors or officers engage in any fraudulent conduct or activity;
- ▶ a director or senior manager of Primary is charged with an indictable offence relating to financial or corporate matters or a director of Primary is disqualified from managing a corporation;
- ▶ a change in the Chief Executive Officer or Chairman of Primary occurs;
- ▶ * a change in other senior management or the directors of Primary occurs;
- ▶ ASIC issues or gives notice of an intention to issue proceedings or commences any inquiry or investigation in relation to the Entitlement Offer; or
- ▶ * Primary breaches the Underwriting Agreement or any of the representations or warranties given by it under the Underwriting Agreement.

The ability of the Underwriters to terminate the Underwriting Agreement in respect of some events (denoted with an asterisk (*) above) will depend on whether in the actual and reasonable opinion of that Underwriter, the event has, or is likely to have, a material adverse effect on the success, marketing or settlement of the Entitlement Offer, the value of Primary Shares or the willingness of investors to subscribe for New Shares, or the business, financial position or prospects of the Primary group; or the event leads, or is likely to lead to, a contravention by that Underwriter (or one of its affiliates) of, or that Underwriter (or one of its affiliates) being involved in a contravention of, the Corporations Act or any other applicable law or to a liability of that Underwriter (or one of its affiliates) under the Corporations Act or any other applicable law.

Primary has also agreed to pay each underwriter an equal proportion of the following fees:

- an underwriting fee of 1.45% of the Institutional Entitlement Offer proceeds;
- an underwriting fee of 1.45% of the Retail Entitlement Offer proceeds;
- a management and selling fee of 0.4% of the Institutional Entitlement Offer proceeds;

- a management and selling fee of 0.4% of the Retail Entitlement Offer proceeds; and
- an incentive fee of up to 0.2% of the aggregate of the Institutional Entitlement Offer and Retail Entitlement Offer proceeds (which is payable at the absolute discretion of Primary).

None of the Underwriters, nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives, advisers or agents (collectively, the **Underwriter Parties**) have authorised or caused the issue or lodgement, submission, despatch or provision of this Retail Information Booklet and there is no statement in this Retail Information Booklet which is based on a statement made by an Underwriter Party. To the maximum extent permitted by law, each Underwriter Party:

- ▶ expressly disclaims all liabilities in respect of, and makes no representations regarding, and takes no responsibility for any part of this Retail Information Booklet or any action taken by you on the basis of the information in this Retail Information Booklet, and makes no representation or warranty as to the currency, accuracy, reliability or completeness of this Retail Information Booklet; and
- ▶ excludes and disclaims all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Retail Information Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Underwriter Parties makes any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by any of the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally.

7.11. Foreign jurisdictions

This Retail Information Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

This Retail Information Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person holds Primary Shares and is acting for the account or benefit of a person in the United States) or in any jurisdiction in which, or to any person to whom it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer or the New Shares, or otherwise permit the offering of the New Shares, in any jurisdiction other than Australia and New Zealand. Return of the personalised Entitlement and Acceptance Form will be taken by Primary to constitute a representation by you that there has been no breach of any such laws. Eligible Retail Shareholders who are nominees or custodians should see Section 3.4.

The distribution of this document (including in electronic format) outside Australia and New Zealand may be restricted by law. If you come into possession of this Retail Information Booklet, you must observe such restrictions. In particular, this document or any copy of it must not be distributed in the United States. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

(a) New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of Primary with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Retail Information Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Retail Information Booklet is not a product disclosure statement under New Zealand law and is not

required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

(b) United States

This Retail Information Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person in the United States or any person who is acting for the account or benefit of any person in the United States (to the extent such person holds Primary Shares and is acting for the account or benefit of a person in the United States). Neither the Retail Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Retail Entitlements may not be issued to, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such person holds Primary Shares and is acting for the account or benefit of a person in the United States). The New Shares under the Retail Entitlement Offer may only be offered and sold outside the United States in 'offshore transactions', as defined in and in reliance on Regulation S under the U.S. Securities Act.

7.12. Ineligible Retail Shareholders

Primary has decided that it is unreasonable to make offers under the Retail Entitlement Offer to retail investors who are holders of Primary Shares and who are resident outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places.

7.13. Governing law

This Retail Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of Applications made pursuant to the Retail Entitlement Offer are governed by the law applicable in New South Wales, Australia. Each Shareholder who applies for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

7.14. Information availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Retail Information Booklet during the period of the Retail Entitlement Offer on the Primary website at **www.primaryhealthcare.com.au** or by calling the Primary Health Care Limited Entitlement Offer Information Line on 1300 850 505 (within Australia) or on +61 3 9415 4000 (outside Australia) at any time from 8.30am to 5.00pm Monday to Friday during the Retail Entitlement Offer Period.

Persons who access the electronic version of this Retail Information Booklet should ensure that they download and read the entire Retail Information Booklet. The electronic version of this Retail Information Booklet on the Primary website will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Primary Health Care Limited Entitlement Offer Information Line. You may also apply online at <https://primaryhealthcareretailoffer.thereachagency.com>. To access your personalised replacement Entitlement and Acceptance Form online, you will require your Security Reference Number or Holder Identification Number and will need to pass a series of security questions.

Neither this Retail Information Booklet nor the accompanying Entitlement and Acceptance Form may be distributed to or relied upon by, persons in the United States or persons that are acting for the account or benefit of a person in the United States (to the extent such person holds Primary Shares and is acting for the account or benefit of a person in the United States), or otherwise distributed in the United States.

7.15. Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Retail Information Booklet.

Any information or representation that is not in this Retail Information Booklet may not be relied on as having been authorised by Primary, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Primary, its directors, officers or employees or any other person, warrants or guarantees the future performance of Primary or any return on any investment made pursuant to this Retail Information Booklet.

7.16. Withdrawal of the Entitlement Offer

Primary reserves the right to withdraw all or part of the Entitlement Offer and the information in this Retail Information Booklet at any time, subject to applicable laws, in which case Primary will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where New Shares have already been issued under the Institutional Entitlement Offer, Primary may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Primary will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Primary.

7.17. Privacy

As a Shareholder, Primary and the Registry have already collected certain personal information from you. If you apply for New Shares, Primary and the Registry may update that personal information or collect additional personal information for the purposes of:

- (a) processing your application and assessing your acceptance of the New Shares;
- (b) servicing your needs as a Shareholder and providing facilities and services that you request; and
- (c) carrying out appropriate administration.

Company and tax laws require some of the information to be collected. If you do not provide your personal information, we may not be able to process your application.

Primary and the Registry may disclose this information for these purposes to its subsidiaries and relevant organisations involved in providing, managing or administering your product or service such as third party suppliers, other organisations, loyalty and affinity partners, printers, posting services, call centres, and our advisors. Primary and the Registry may need to share some of your information with organisations outside Australia.

Where personal information is disclosed, Primary will seek to ensure that the information is held, used or disclosed consistently with the Privacy Act 1988 (Cth) and any other applicable privacy laws and codes.

You can ask us to access information that we hold about you or to correct information we hold about you by writing to Primary through the Registry at privacy@computershare.com.au or see the Registry Privacy Policy at <http://www.computershare.com/au>.

Section 8: Glossary

In this Retail Information Booklet, the following terms have the following meanings:

AEST means Australian Eastern Standard Time

Announcements means the ASX Announcement, the Investor Presentation and the Institutional Entitlement Offer completion announcement

Application means Arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies

Application Monies means the aggregate amount payable for the New Shares applied for through BPAY or in a duly completed Entitlement and Acceptance Form

ASIC stands for Australian Securities and Investments Commission

ASX means ASX Limited (ABN 98 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange

ASX Announcement means the announcement released to ASX on 20 August 2018 in connection with the Entitlement Offer, a copy of which is included in Section 5 of this Retail Information Booklet

ASX Listing Rules means the official listing rules of ASX, as amended or replaced from time to time except to the extent of any waiver granted by ASX

Corporations Act means Corporations Act 2001 (Cth)

Eligible Institutional Shareholder means an institutional Shareholder to whom the Underwriters made an offer on behalf of Primary under the Institutional Entitlement Offer (and who, for the avoidance of doubt, is not an Ineligible Institutional Shareholder under the Underwriting Agreement)

Eligible Retail Shareholder means a Shareholder who satisfies the definition outlined in Section 1

Eligible Shareholder means a person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder

Entitlement means the entitlement to 1 New Share for every 5.21 Primary Shares held on the Record Date, pursuant to the Entitlement Offer

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Retail Information Booklet which can be used to submit an Application

Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer of approximately 100 million New Shares to Eligible Shareholders in the proportion of 1 New Share for every 5.21 Primary Shares held on the Record Date, and comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer

Ineligible Institutional Shareholder means an institutional Shareholder that is **not** an Eligible Institutional Shareholder

Ineligible Retail Shareholder means a retail Shareholder that is **not** an Eligible Retail Shareholder

Ineligible Shareholder means either an Ineligible Institutional Shareholder or an Ineligible Retail Shareholder or both (as the context requires)

Institutional Entitlement Offer means the offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer

Investor Presentation means the investor presentation in connection with the Entitlement Offer dated 20 August 2018, a copy of which is included in Section 5 of this Retail Information Booklet

Issue Date means the date on which New Shares are issued to Eligible Retail Shareholders under the Retail Entitlement Offer, being 14 September 2018

New Share means a Primary Share issued under the Entitlement Offer, including (as the context requires) to the Underwriters or any sub-underwriter

Offer Price means \$2.50 per New Share

Primary means Primary Health Care Limited (ABN 24 064 530 516)

Primary Share means a fully paid ordinary share in Primary

Record Date means 7.00pm on 22 August 2018

Registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277)

Regulation S means Regulation S under the U.S. Securities Act

Retail Closing Date means the date the Retail Entitlement Offer closes, being 5.00pm on Friday, 7 September 2018

Retail Entitlement means an Entitlement under the Retail Entitlement Offer

Retail Entitlement Offer means the offer of New Shares to Eligible Retail Shareholders under the Entitlement Offer

Retail Entitlement Offer Period means the period commencing on the opening date of the Retail Entitlement Offer, as specified in the Entitlement Offer timetable in the Key Dates for the Retail Entitlement Offer section of this Retail Information Booklet, and ending on the Retail Closing Date

Retail Information Booklet means this booklet dated 27 August 2018, including the Announcements and the Entitlement and Acceptance Form

Retail Shortfall means Retail Entitlements not taken up by Eligible Retail Shareholders and entitlements of Ineligible Retail Shareholders under the Retail Entitlement Offer, which will be acquired by the Underwriters or any sub-underwriters

Shareholder means the registered holder of any Primary Share

Underwriter Parties means the Underwriters, their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, advisers and agents

Underwriters means the underwriters of the Entitlement Offer

Underwriting Agreement means the Underwriting Agreement dated 20 August 2018 between Primary and the Underwriters, as described in section 7.10

U.S. Securities Act means the U.S. Securities Act of 1933, as amended

Eligible Retail Shareholder declarations

IMPORTANT:

If you make an Application (whether by completing and returning your Entitlement and Acceptance Form with a cheque, bank draft or money order or making a BPAY payment), you will be deemed to have made the following declarations to Primary.

You:

- ▶ acknowledge and agree that determination of eligibility of investors for the purposes of the Institutional Entitlement Offer or the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Primary and the Underwriters;
- ▶ acknowledge and agree that Primary, the Underwriters and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- ▶ acknowledge that you have read this Retail Information Booklet and the accompanying Entitlement and Acceptance Form in full;
- ▶ agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Information Booklet and Primary's Constitution;
- ▶ authorise Primary to register you as the holder of the New Shares issued to you;
- ▶ declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- ▶ declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- ▶ acknowledge that once Primary receives your Entitlement and Acceptance Form or your Application Monies via BPAY, you may not withdraw it (except as provided by law);
- ▶ agree to apply for and be issued up to the number of New Shares specified in your Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY, at the Offer Price per New Share;
- ▶ authorise Primary, the Underwriters, the Registry and their respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- ▶ declare that you are an Eligible Retail Shareholder;
- ▶ acknowledge that the information contained in this Retail Information Booklet and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and is not a prospectus or product disclosure statement, does not contain all of the information that you may require in order to assess an investment in Primary and is given in the context of Primary's past and ongoing continuous disclosure announcements to ASX;
- ▶ represent and warrant that the law of any other place does not prohibit you from being given this Retail Information Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares;

- ▶ acknowledge the statement of risks in the “Key Risks” section of the Investor Presentation, and that investments in Primary are subject to investment risk;
- ▶ acknowledge that none of Primary, its directors, officers, employees, agents, consultants, advisors, and the Underwriters or their affiliates, directors, officers, employees, agents, consultants or advisors, guarantees the performance of Primary, nor do they guarantee the repayment of capital;
- ▶ represent and warrant (for the benefit of Primary, the Underwriters and their respective affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, and are otherwise eligible to participate in the Retail Entitlement Offer;
- ▶ represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States (to the extent you hold Primary Shares and are acting for the account or benefit of a person in the United States) and are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements or New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- ▶ understand and acknowledge that neither the Retail Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, you understand and acknowledge that the Retail Entitlements may not be issued to, taken up, purchased or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such person holds Primary Shares and is acting for the account or benefit of a person in the United States). You further understand and acknowledge that the Retail Entitlements and the New Shares may only be offered, sold and resold outside the United States in ‘offshore transactions’ (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S;
- ▶ represent and warrant that you are subscribing for Retail Entitlements and/or purchasing New Shares outside the United States in ‘offshore transactions’ (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S;
- ▶ acknowledge that each person on whose account you are acting has not and will not send this Retail Information Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States;
- ▶ acknowledge that, if you decide to sell or otherwise transfer any New Shares, you will only do so in regular way transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- ▶ authorise Primary to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- ▶ acknowledge that, if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States, and you have not sent this Retail Information Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person in the United States; and
- ▶ agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and/or of your holding of Primary Shares on the Record Date.

Corporate directory

Registered Office

Primary Health Care Limited
Level 6, 203 Pacific Highway
St Leonards NSW 2065
www.primaryhealthcare.com.au

Registry

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000

Website

To view more information on Primary, including in relation to Primary's business and operations, news updates, reports, publications and investor information, visit www.primaryhealthcare.com.au

Primary Health Care Limited Entitlement Offer Information Line
Australia: 1300 850 505

International: +61 3 9415 4000

Open 8.30am to 5.00pm (AEST) Monday to Friday during the
Retail Entitlement Offer Period

PRIMARY
HEALTH CARE LIMITED