

**BROAD INVESTMENTS LIMITED**  
**ACN 087 813 090**

**To: Australian Securities Exchange Limited (ASX)**  
**From: Broad Investments limited (ASX: BRO)**  
**Date: 5 July, 2017**  
**Subject: Acquisition of Elevate Australasia**

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**BROAD INVESTMENTS TO ACQUIRE ELEVATE AUSTRALASIA**

**HIGHLIGHTS**

- **Binding Heads of Agreement to purchase an integrated healthcare provider**
- **Significant growth opportunity for Broad in growing healthcare sector**
- **Strong, experienced management team retained as part of the acquisition**
- **Pipeline of additional clinics for acquisition in place**

The board of directors of Broad Investments Limited (**Broad** or the **Company**) are pleased to announce that the Company has signed a binding heads of agreement (**HoA**) with the shareholders (**Vendors**) of Australian private company, Elevate Australasia Pty Ltd (**Elevate**), according to which Broad will acquire all of the issued capital of Elevate.

**ELEVATE AUSTRALASIA PTY LTD**

Elevate is an Australian private company which focuses on delivering health and wellbeing solutions for its corporate, commercial and individual clients in Australia. It operates a number of integrative medical and health clinics and is a provider of healthcare services in strategic locations in New South Wales, Queensland and Victoria.

Elevate focuses on providing high quality integrated health care including general practice, integrative and specialist medicine, allied health and complementary medicine. Its core strategy is to grow its existing 17 healthcare clinics to approximately 50 in the next three years by strategic acquisition and organic growth, including expanding from its Sydney CBD signature clinic to CBDs in Melbourne, Perth and Brisbane to complete the national network.

**NATURE OF TRANSACTION**

The Company has signed a HoA pursuant to which it will acquire all of the issued capital in Elevate (**Transaction**) in a scrip-for-scrip acquisition that is subject to an independent valuation and is expected to be a transaction of approximately A\$30 million with such consideration to be at a discount to the independent valuation of Elevate's business.

As part of the Transaction, Broad will negotiate and enter into employment agreements with key executives and consultants of Elevate prior to completion, and implement, subject to shareholder approval, an executive and employee share option plan.

**Broad Investments Limited ACN: 087 813 090**  
**15 Whiting Street, Artarmon 2064**  
**Postal: PO Box H125 Australia Square NSW 1215**  
**Ph: 02 8188 2556 Fax: 02 9235 2203**

## **CAPITAL RAISING**

The Transaction will include a fundraising of up to \$12.0 Million via a prospectus (**Capital Raisings**).

The purpose of these Capital Raisings is to allow the Company to complete existing acquisitions as well as continue the growth strategy of Elevate post-Transaction.

The Transaction is subject to the following conditions precedent:

- (a) Broad and Elevate completing due diligence in relation to each other and the acquisition mechanism, to their satisfaction;
- (b) Broad obtaining all such shareholder approvals as required to give effect to the Transaction, including approval for:
  - (i) the acquisition of Elevate, including for the change in scale and nature of the Company's activities (ASX Listing Rule 11.1.2 and 11.1.3);
  - (ii) any consolidation of the Company's share capital as may be required to give effect to the re-quotations of the Company's securities;
  - (iii) the issue of shares as consideration to the Vendors or their nominees;
  - (iv) the change of the Company's name to "**Integrative Healthcare Limited**" or such other name as nominated by Elevate and approved by ASIC and Shareholders;
  - (v) the completion of an independent expert report;
  - (vi) the implementation of an employee share option plan and the amendment of the Company's constitution accordingly;
  - (vii) a capital raising to raise up to A\$12 million; and
  - (viii) the restructure of the board of the Company;
- (c) Elevate obtaining all such approvals from the Vendors as are necessary to give effect to the Transaction and the transfer of all Elevate shares to the Company;
- (d) Broad and Elevate obtaining any and all such other approvals, consents, waivers, authorisations and permits as may be reasonably required in order to enter into and give effect to the Transaction;
- (e) Broad entering into service agreements with Elevate's nominated executives; and
- (f) the Company being re-capitalised and re-complying with Chapters 1 and 2 of the ASX Listing Rules to enable its re-quotations to the official list of the ASX by 1 October 2017 (or such other date as agreed by the parties).

Broad has agreed to grant to Elevate an exclusivity period up to 10 October, 2017, for negotiation and completion of the Transaction, during which time Broad will not instigate or entertain any approaches from any other person or party with a view to using Broad as a potential listing vehicle or for any other transaction.

Broad advises that it is unable to provide to the market information in respect of the financial impact of the Transaction at this stage, however, further financial information relating to Elevate will be provided as it becomes available.

## **CAPITAL STRUCTURE**

The Company's capital structure post-Transaction is contemplated to be as follows:

<b>Item</b>	<b>Value</b>
Current shareholders of Broad	\$750,000 valued at the same price per share as the Capital Raisings
Consideration Shares issued to Vendors for the Transaction	Determined based on the independent valuation of Elevate, but no greater than A\$30 million and to be issued in shares at the same price per share as the Capital Raisings
Advisor Shares	\$300,000 of shares, to be issued to Advisors at the same price per share as the Capital Raisings
Executive and Employee Share Option Plan	The Plan, quantum and issue price to be approved by shareholders in an extraordinary general meeting.

\* The above is subject to an independent valuation report in relation to Elevate. A capital table is unable to be provided until such time as the independent valuation report is received. It is contemplated that a share consolidation will occur as part of the Transaction. No person will acquire control of, or voting power of 20% or more in, Broad as a result of the Transaction.

## **POST COMPLETION BOARD AND MANAGEMENT**

It is expected that upon completion of the Transaction, Broad's new board will consist of an independent non-executive chairman satisfactory to both parties, Brookes McTavish and Peter Browne (current Elevate board members) as executive directors and two additional non-executive directors.

### **Key Management**

#### *Brookes McTavish MAICD – Chief Executive Officer*

Brookes McTavish is a professional senior executive, executive and non-executive director with proven experience in growing businesses through organic growth, mergers and acquisitions, restructures and turnarounds across a number of industry sectors, in particular, health, IT, infrastructure and property. She has highly developed skills in strategic planning and business growth, with strong fundraising capability in both the private and public sectors.

*Peter Browne GAICD – Chief Operating Officer*

Peter Browne is a professional executive with a broad range of experience in a number of key industries including health, ICT and supply chain management. Peter has a proven track record in mergers and acquisitions, transformational change and strategic relationship management, having worked on several substantial M&A transactions throughout his career and prior to Elevate, as regional head of an ASX listed company.

**TIMETABLE**

The Transaction is presently proposed to be conducted in accordance with the following indicative timetable:

<b>Milestone</b>	<b>Date</b>
Heads of Agreement signed	19-Jun-17
Finalise intended capital structure	20-Jul-17
Share Sale and Purchase Agreement Executed	28-Jul-17
Dispatch of Notice of Meeting	17-Aug-17
Dispatch of Prospectus	17-Aug-17
Elevate– Annual General Meeting	30-Aug-17
Broad – Extraordinary General Meeting	21-Sept-17
Close of prospectus	25-Sept-17
Completion and reinstatement to official quotation	03-Oct-17

\* The above timetable is for indicative purposes only and is subject to change at the discretion of the Company.

**SALE OF UBCG**

The Company wishes to advise that following the entering into of the binding HoA for the above Transaction, the Board has agreed to sell the Company's loss making telco subsidiary Unified Business Communications Group (UBCG), as a telco business is no longer complementary to the proposed business of the Company going forward. The consideration for the sale is \$1.00, but includes the assumption by the buyers of certain liabilities in UBCG and is effective as at 30 June, 2017.

## **CLINICS AND PRACTITIONERS**

Elevate is currently acquiring medical and health clinics to add to its national footprint. For more information for clinics and practitioners wishing to join the network please contact Peter Browne, Chief Operations Officer, Elevate NSW Pty Ltd on Tel: +61 2 8090 7981.

**BY ORDER OF THE BOARD  
BROAD INVESTMENTS LIMITED**

### **Disclaimer:**

For the purposes of Chapter 11 of the ASX Listing Rules, Broad Investments Limited advises the following:

- 1) The Transaction the subject of this notice requires security holder approval in accordance with the ASX Listing Rules and therefore may not proceed if that approval is not forthcoming.
- 2) The Company is required to re-comply with ASX's requirements for admission and quotation and therefore the Transaction may not proceed if those requirements are not met.
- 3) ASX has absolute discretion in deciding whether or not to re-admit the Company to the official list and to quote its securities, and the transaction may not proceed if ASX exercises that discretion.

Accordingly, Investors should consider these uncertainties in deciding whether or not to buy or sell Broad securities.

Additionally, the Company advises that ASX takes no responsibility for the contents of this announcement and that the Company is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1.