

ASX ANNOUNCEMENT

11 MAY 2020

ACQUISITION OF 12 VICTORIAN PODIATRY CLINICS

Healthia Limited (the Company) is pleased to announce that it settled the acquisition of The Foot and Ankle Clinic, comprising of 12 podiatry clinics in Melbourne and regional Victoria, on Friday 8 May 2020.

Total consideration for the 12 podiatry clinics is as follows:

Purchase price	\$4.500 million
Contingent consideration	<u>\$0.500 million</u>
Total consideration	\$5.000 million

The clinics are expected to contribute the following¹:

Revenue	\$4.425 million
EBITDA	\$1.124 million

The Company has monitored the financial performance of the acquired clinics over the last two months. The effects of COVID-19 on the overall performance of the clinics has been immaterial.

Group CEO & MD, Wes Coote said "The completion of this acquisition strengthens the Company's position as the largest podiatry clinic operator in Australia. We are very excited to be attracting clinics of this scale and stature to the network and we look forward to continuing our acquisitive growth trajectory into the future."

UPDATE ON FY20 ACQUISITION RUN RATE

The Company has deployed capital of approximately ~\$18m in financial year 2020 (FY20) to date, at an average Normalised EBITDA multiple of 4.26x².

Table: Summary of acquisitions settled between 1 July 2019 and 11 May 2020

	Revenue	EBITDA		<u>Consideration</u>			Effective
			Cash	Clinic Class	Contingent	Total	EBITDA
	\$'000's	\$'000's	\$'000's	Shares	Consideration	Consideration	Multiple
				\$'000's	\$'000's	\$'000's	
Podiatry	8,660	2,012	7,627	401	700	8,728	4.34
Physiotherapy	10,313	2,209	5,007	3,002	1,235	9,244	4.18
Total	18,973	4,221	12,634	3,403	1,935	17,972	4.26

Healthia has achieved its stated target of deploying more than \$15m of capital for new acquisitions during FY20. The Company will continue to progress its pipeline of physiotherapy and podiatry acquisition opportunities, along with other aligned allied health industries.

UPDATE ON GREENFIELD CLINICS

On the 24 February 2020, the Company announced that it had executed 2 leases for new greenfield multidisciplinary allied health clinics located in Bundaberg (QLD) and Pimpama (Gold Coast, QLD). The clinics were previously expected to be open for trading in April and October 2020 respectively.

¹ Revenue and EBITDA (earnings before interest tax depreciation and amortisation) numbers are based on a historical trading for the rolling 12 months period 1 Jan 2019 to 31 December 2019, before the impact of AASB-16 and normalised in accordance with Healthia's acquisition and accounting policies.

² Normalised EBITDA acquired excludes the impact of AASB16 "Leases".

With the developing impacts of COVID-19, the completion of these new sites has been delayed and the Company has subsequently deferred these lease commencements dates. As a result, the Company now expects the opening of the Bundaberg and Pimpama clinics to occur in October 2020 and May 2021 respectively.

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CONTACT

Investors are encouraged to keep up to date with Healthia news and research by subscribing at:
<https://investors.healthia.com.au/subscriptions>

If you have any further questions, please contact:

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Authorised for release by Healthia Limited's Board of Directors.

About Healthia

Healthia Limited is an integrated group of health-based companies whose mission is to enrich the lives of people through world-class health services. The group operates an integrated portfolio of allied health businesses which include My FootDr, Allsports Physiotherapy, Extend Rehabilitation, iOrthotics and D.B.S. Medical Supplies.

My FootDr is Australia's leading podiatry group with 93 podiatry clinics, with clinics equipped with innovative equipment and highly qualified podiatrists which provide world-class podiatry services that include biomechanical assessment, laser fungal nail treatment, diabetic screening, sports injury management and general foot care.

Allsports Physiotherapy and Sports Medicine has 43 clinics in Queensland, New South Wales and Victoria and has been providing high standards of physiotherapy since 1992, offering a range of services at each clinic, including podiatry, Pilates, massage therapy, occupational therapy and nutrition advice.

Specialty Hand Therapy is dedicated to caring for the hand and upper arm, including injuries to the hand, wrist, elbow and shoulder and neck. Services also include general musculoskeletal physiotherapy. Healthia has 10 clinics throughout Brisbane, with 3 of those clinics co-located inside an Allsports Physiotherapy and Sports Medicine clinics, and 4 clinics throughout Sydney.

iOrthotics is a world-leader in 3D printing, delivering custom-made foam rubber and 3D-printed orthotic devices to more than 100 podiatry clinics throughout Australia from its Queensland facility, and in January 2020 opened a manufacturing facility in New York.

D.B.S. Medical Supplies is a podiatry supplies business based in Byron Bay, New South Wales which provides a wide range of podiatry equipment and foot care products to allied health professionals throughout Australia, New Zealand, the South Pacific, Singapore and Hong Kong.