

ASX ANNOUNCEMENT

4 July 2019

HEALTHIA ANNOUNCES NEW QLD AND VIC GROWTH ACQUISITIONS

Healthia Limited (ASX: HLA) (Healthia) is pleased to announce that it has entered into binding agreements to acquire a further 9 allied health clinics as follows:

- 3 physiotherapy clinics located in South-East QLD; and
- 6 podiatry clinics, 3 located in Queensland and 3 located in Victoria.

Settlement of these acquisitions is conditional upon board and financier approval, assignment of property leases to Healthia and other customary conditions precedent. It is expected that all conditions will be met, and all clinics should settle before 31 August 2019.

Total consideration for the acquisitions is as follows:

Cash consideration	\$3.610m
Contingent consideration	\$0.800m
Issue of Clinic Class Shares ¹	<u>\$1.210m</u>
Total consideration	\$5.620m

The clinics to be acquired are expected to contribute the following²:

Revenue	\$6.717m
EBITDA ³	\$1.348m

Completion of these acquisitions will bring the total annualised revenue and EBITDA acquired by Healthia since listing on the ASX on 11 September 2018 to \$18.031m and \$3.254m respectively. A summary of all acquisitions announced post listing on the ASX on 11 September 2018 are as follows:

	Revenue ²	EBITDA ^{2, 4}	Consideration				Effective Multiple	No of Clinics
			Cash	Contingent Consideration	Clinic Class Shares ¹	Total Consideration		
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's		
Settled since 11 September 2018								
Podiatry	2,353	367	1,385	-	90	1,475	4.01	3
Physiotherapy	7,434	1,209	4,274	-	1,017	5,291	4.38	8
Total	9,787	1,576	5,659	-	1,107	6,766	4.29	11
Binding agreements announced on 21 June 2019 - Expected to settle on or before 31 July 2019								
Podiatry	-	-	-	-	-	-	-	-
Physiotherapy	1,527	329	674	150	456	1,280	3.89	2
Total	1,527	329	674	150	456	1,280	3.89	2
Binding agreements announced on 4 July 2019 - Expected to settle on or before 31 August 2019								
Podiatry	3,403	692	2,400	200	220	2,820	4.07	6
Physiotherapy	3,314	656	1,210	600	990	2,800	4.27	3
Total	6,717	1,348	3,610	800	1,210	5,620	4.17	9
Grand Total	18,031	3,254	9,943	950	2,773	13,666	4.20	22

¹ Clinic Class Shares are non-voting shares issuable by certain subsidiaries of Healthia Limited. These shares enable the holder to participate in dividends declared, calculated on the performance of the clinic in which the Clinic Class Shares are issued. The Clinic Class Shares are designed to create alignment between the interests of clinicians and shareholders.

² Revenue and EBITDA numbers are based on a historical 12 months of trading in FY18 and/ or annualised FY19 financials, normalised in accordance with Healthia's acquisition and accounting policies.

³ EBITDA includes the approximate 21.3% economic interest continued to be owned by Clinic Class Shareholders.

⁴ EBITDA includes the approximate 20.1% economic interest continued to be owned by Clinic Class Shareholders.

Group CEO & MD, Wes Coote, said “On completion of these acquisitions, Healthia would have deployed nearly \$14m of capital and acquired \$3.25m of additional annualised EBITDA, which is additional to the earnings disclosed in the Company’s prospectus. These new clinic acquisitions would have all settled inside of our first 12 month since listing on the ASX and exceeds our stated annual acquisition run rate target of \$10m capital deployed and \$2.5m of acquired EBITDA.”

“We are pleased with the partnership we have been able to make with new clinics throughout FY19 and happy with the momentum we are gaining moving into FY20.”

These acquisitions, and future acquisitions, are expected to be funded by the Company utilising the undrawn debt available under the facility agreement with ANZ and BOQ, free cash generated from the operations of the businesses and the Clinic Retention Program.

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:

Company	Company	Company
Wesley Coote Group CEO & MD Tel: 07 3180 4900 E: wes.coote@healthia.com.au	Tony Ganter CEO - Physiotherapy Tel: 07 3180 4900 E: tony.ganter@healthia.com.au	Darren Stewart CEO – Podiatry Tel: 07 3180 4900 E: darren.stewart@healthia.com.au

-END-

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 75 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 31 clinics in Queensland 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.

Extend Rehabilitation 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. Extend Rehabilitation has 9 clinics throughout Brisbane, with 3 of those clinics co-located inside an Allsports Physiotherapy and Sports Medicine clinics.

Queensland-based **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.

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.