

## ASX ANNOUNCEMENT

24 October 2018

### HEALTHIA ACQUIRES TWO PHYSIOTHERAPY CLINICS

Healthia Limited (ASX: HLA) (Healthia or the Company) is pleased to announce that it has completed the acquisition of a physiotherapy clinic in Cairns and has entered an agreement to acquire a physiotherapy clinic on the Gold Coast.

The Cairns clinic settled on 23 October 2018. The Gold Coast clinic is expected to settle before 30 November 2018. Settlement of the Gold Coast clinic is conditional upon board approval, lease assignment, finance (if applicable) and satisfaction of other conditions precedent.

These physiotherapy clinic acquisitions are in line with the Company's previously stated acquisition criteria and strategy. The acquisitions are in addition to the clinics presented in the Company's FY19 prospectus forecast and are expected to be earnings accretive.

Total consideration for the two acquisitions is as follows:

Cash consideration	\$1.451m
Issue of Clinic Class Shares <sup>1</sup>	<u>\$0.360m</u>
Total consideration	\$1.811m

The clinics are expected to contribute the following<sup>2</sup>:

Revenue	\$2.705m
EBITDA <sup>3</sup>	\$0.425m

Completion of these acquisitions will bring Healthia's physiotherapy clinic portfolio to 26 clinics.

CEO of Physiotherapy, Tony Ganter said "the acquisition of these two clinics further strengthens our position in the Queensland market and are complementary to our existing physiotherapy clinic network. We are excited to welcome these new teams to the Allsports Physiotherapy and Healthia group".

### CONTINUED INVESTMENT IN IORTHOTICS

iOrthotics is a recognised world-leader in advanced orthotic manufacturing, supplying to over 100 podiatry clinics throughout Australia, including the My FootDr podiatry clinics owned by Healthia.

Due to the increased demand, iOrthotics has invested in an additional HP Multi Jet Fusion 3D printer. The new printer increases iOrthotics total production capacity of all orthotic devices from 40,000 pairs per annum to 60,000 pairs per annum, or an increase in production capacity of 50%.

iOrthotics will utilise the increased capacity created by the new printer for the following:

- Converting newly acquired podiatry clinics from their existing orthotics manufacturer to iOrthotics;
- Increased demand from the existing My FootDr clinics; and

<sup>1</sup> Clinic Class Shares are non-voting shares issuable by certain subsidiaries of Healthia Limited. These shares entitle the holder to a share of any dividend 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.

<sup>2</sup> Revenue and EBITDA numbers are based on historical FY18 financials which have been normalised in accordance with Healthia's acquisition and accounting policies.

<sup>3</sup> EBITDA includes the approximate 17.7% economic interest continued to be owned by Clinic Class Shareholders.

- Increased demand from external customers, both within and outside of the podiatry industry.

The increased production is expected to be utilised over the next 24-month period. CEO of Podiatry, Darren Stewart said “the investment in technology and partners ensures iOrthotics continues to be the industry innovator not only in Australia, but around the world”.

## CONTACT

If you have any further questions, please contact:

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## 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 72 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 25 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 seven clinics throughout Brisbane, with three of those clinics co-located inside an Allsports Physiotherapy and Sports Medicine clinic.

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.