

ASX ANNOUNCEMENT

5 February 2021

HEALTHIA ANNOUNCES ACQUISITION SETTLEMENT, NEW ACQUISITION AND NEW CLINIC OPENING IN BUNDABERG

Acquisition settlement – The Physio Clinic

Healthia Limited (*HLA* or *Healthia* or the *Company*) refers to its ASX announcement lodged on 17 December 2020 that it had entered into a binding agreement to acquire The Physio Clinic (*TPC*), comprising three physiotherapy clinics in South Australia.

Healthia is pleased to announce that it reached settlement for TPC on 4 February 2021.

TPC is expected to contribute the following earnings¹ to Healthia:

Revenue	\$2.528m
EBITDA ²	\$0.435m

Total consideration for the acquisition, plus stock, less employee entitlements, was as follows:

Upfront cash consideration	\$1.142m
Issue of Clinic Class Shares ³	<u>\$0.285m</u>
Total upfront consideration	\$1.427m

In addition to the upfront consideration, contingent consideration of up to \$0.572m will become payable in cash within 48 months after completion, subject to TPC achieving defined earnings targets during this period.

New acquisition – Sandringham Sports Physio

Healthia is pleased to announce that it has entered into a binding agreement to acquire Sandringham Sports Physio (SSP), a physiotherapy clinic located in Victoria.

Total consideration for the acquisition, plus stock, less employee entitlements, is as follows:

Upfront cash consideration	\$1.234m
Issue of Clinic Class Shares ⁴	<u>\$0.308m</u>
Total upfront consideration	\$1.542m

Settlement of SSP is conditional upon assignment of property leases to Healthia and other customary conditions precedent. It is expected that all conditions will be met, and the acquisition is expected to be completed before 31st March 2021.

¹ Revenue and EBITDA numbers are based on a historical 12 months of trading in FY20, normalised in accordance with Healthia's acquisition and accounting policies, removing the impacts of AASB16.

² EBITDA means Earnings before Interest, Tax, Depreciation and Amortisation, removing the impacts of AASB16. EBITDA includes the approximate 20.0% economic interest continued to be owned by Clinic Class Shareholders.

³ 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.

⁴ 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.

About Sandringham Sports Physio

Under the directorship of experienced practicing physiotherapist Robert de Nardis, Sandringham Sports Physio was established over 30 years ago. The clinic provides physiotherapy & other allied health services including myotherapy, podiatry, Pilates and dietetics to the Sandringham and Bayside community.

The clinics are expected to contribute the following earnings⁵ to Healthia:

Revenue	\$1.760m
EBITDA ⁶	\$0.320m

Opening of multidisciplinary allied health clinic in Bundaberg

Healthia is also pleased to announce that it has opened a new greenfield multidisciplinary allied health clinic in Bundaberg, Queensland. The clinic opened on the 25 January 2021 and offers a range of services including physiotherapy, clinical Pilates, exercise physiology, podiatry, occupational therapy, speech pathology and remedial massage.

Contact

If you have any further questions, please contact:

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