

ASX ANNOUNCEMENT

16 February 2023

HEALTHIA ANNOUNCES NEW ACQUISITIONS, ACQUISITION SUMMARY AND APPOINTMENT OF NEW CFO

- Healthia announces new acquisitions which are expected to contribute annualised underlying revenue¹ and EBITDA² of \$10.46 million and \$2.94 million respectively
- Total acquisitions announced by Healthia for the 2023 financial year to date are expected to contribute annualised underlying revenue¹ and EBITDA² of \$19.32 million and \$4.79 million respectively. Total capital allocated to these acquisitions is \$22.25 million.
- Search complete, and the appointment of new Group Chief Financial Officer

NEW ACQUISITION

Healthia Limited (**Healthia** or the **Company**) is pleased to announce that it has entered into binding agreements to acquire the businesses known as:

- Melbourne Hand Rehab (8 hand therapy clinics located in Victoria)
- Kosmac & Clemens Optometrists (6 optical stores located in Victoria), and
- Vision Eye Health (2 optical stores located in Queensland)

(collectively the **Acquisitions**).

The Acquisitions are expected to contribute the following annualised earnings¹ to Healthia:

Underlying revenue ¹	\$10.46 million
Underlying EBITDA ^{2,3}	\$2.94 million

Total consideration for the Acquisitions (subject to completion adjustments⁴) is as follows:

Upfront cash consideration	\$10.98 million
Deferred consideration	\$ 1.90 million
Issue of Clinic Class Shares ⁵	\$ 1.09 million
Total consideration	\$13.97 million

In addition to the total consideration, contingent consideration of up to \$0.49m may become payable as cash consideration, subject to the achievement of pre-defined conditions.

The Acquisitions are expected to settle before 30 April 2023, subject to all conditions precedent being satisfied, and will be funded through the Company's finance facility with ANZ, NAB and BOQ, free cash and clinic class shares.

ACQUISITION SUMMARY – FY23 YEAR TO DATE

Completion of the Acquisitions will take the total capital deployed on new acquisitions by Healthia for the 2023 financial year to-date to \$22.25 million. This is detailed in Table 1 below.

Table 1: Summary of acquisitions announced in 2023 financial year to-date

	Pro-forma Financials		Consideration	Multiple
	Revenue	EBITDA(u)	Total Consideration	EBITDA Multiple
Settled H123	\$8.86 million	\$1.86 million	\$8.29 million	4.5x
Settled or announced after H123	\$10.46 million	\$2.94 million	\$13.97 million	4.7x
Total FY23 YTD	\$19.32 million	\$4.79 million	\$22.25 million	4.6x

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

² Underlying EBITDA means earnings before interest, tax, depreciation and amortisation, removing the impacts of AASB16. Underlying EBITDA reflects EBITDA as adjusted to reflect the Directors' assessment of the result for the ongoing business activities, in accordance with AICD/Finsia principles.

³ Underlying EBITDA includes the approximate 25% economic interest continued to be owned by Clinic Class Shareholders.

⁴ Completion adjustments are agreed on a deal-by-deal basis and can include adjustments for the value of inventory held at completion and the value of employee liabilities transferring to Healthia as the acquirer.

⁵ Clinic Class Shares are non-voting shares issuable by certain subsidiaries of the Company. 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.

As set out in Table 1, at the date of this Announcement, Healthia has deployed capital of \$22.25 million for the 2023 financial year to-date, which exceeds the Company's target being a minimum of \$20.0 million of capital to be deployed during the 2023 financial year.

APPOINTMENT OF NEW GROUP CHIEF FINANCIAL OFFICER

The Company is pleased to announce the appointment of Mr Damien Peters as Healthia's Group Chief Financial Officer (CFO), expected to commence with the Company in around late March / early April 2023.

Damien has over 25 years' experience in corporate accounting and working in multi-disciplinary and high growth merger and acquisition companies including previous experience as a CFO and Company Secretary of a number of ASX listed entities. Damien is currently the CFO, Chief Operating Officer and Company Secretary of Queensland Rugby Union.

Healthia's Chief Executive Officer & Managing Director Wesley Coote said:

"Damien's appointment as CFO follows a broad candidate selection process, and we are delighted to welcome him to the Healthia Executive Team. Damien brings a solid track record of financial and strategic business leadership and will add depth to the current Executive Team."

"Damien's strong experience in treasury management, investor relations, governance, compliance, and stakeholder management, will allow him to contribute to, and support, the ongoing growth and success of Healthia."

CONTACT

Investors are encouraged to keep up to date with Healthia news and research by subscribing at:

<https://www.healthia.com.au/join-us/>

If you have any further questions, please contact:

Company	Company
Wesley Coote Group CEO & MD Tel: 07 3180 4900 E: wes.coote@healthia.com.au	Julia Murfitt Company Secretary Tel: 07 3180 4900 E: julia.murfitt@healthia.com.au

FORWARD LOOKING STATEMENTS

The forward-looking statements contained in this document are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Healthia Limited, its Directors and management, and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. **You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.** Any such statements, opinions and estimates in this document speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about the market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only.

NOT AN OFFER OF SECURITIES

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

-END-