



Healthia

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ASX ANNOUNCEMENT

30 October 2020

HEALTHIA ANNOUNCES ACQUISITION OF THE OPTICAL COMPANY AND ENTITLEMENT OFFER

Healthia Limited (HLA or **Healthia**) is pleased to announce that it has entered into a binding agreement to acquire 100% of The Optical Company Pty Ltd (TOC or **The Optical Company**) for a cash and debt free purchase price of \$43.0 million (**the Acquisition**).

KEY HIGHLIGHTS

- Healthia to acquire The Optical Company, a leading Australian optometry business for a purchase price of \$43.0 million, which includes upfront cash consideration of approximately \$31.1 million, the issue of 9.4 million HLA shares to the TOC vendors and deferred consideration of \$3.0 million
- Acquisition multiples of circa 5.15x Purchase Price / underlying FY20 EBITDA¹ (pre-support)² and 7.56x Purchase Price / underlying FY20 EBITDA (post-support)
- Up to \$15.3 million to be raised by Healthia via an accelerated non-renounceable pro-rata entitlement offer with the accelerated institutional offer being underwritten by Canaccord Genuity (Australia) Limited
- TOC FY20 Underlying Revenue³, EBITDA and UNPATA⁴ (attributed to Healthia shareholders) of \$35.8 million, \$5.7 million and \$2.8 million respectively
- The acquisition of TOC delivers circa 15% Earnings Per Share accretion based on Financial Year 20 underlying financial performance
- TOC is a complementary allied health business with strong alignment to Healthia's stated strategic objectives, and
- The addition of TOC increases Healthia's addressable market revenue from \$6.5 billion to \$9.8 billion⁵.

ACQUISITION OF THE OPTICAL COMPANY

Completion of the Acquisition is expected on 30 November 2020 subject to change of control consents for property leases. Upon completion of the transaction, founder and CEO of TOC, Colin Kangisser⁶, will be appointed CEO of Healthia's newly formed Eyes & Ears division and as an Executive Director of Healthia.

Mr Wesley Coote, Chief Executive Officer and Managing Director, said, "The opportunity to acquire a highly complementary allied health business of the quality and size of TOC is compelling. TOC is a natural fit with Healthia and its stated strategic objectives of acquiring value accretive businesses in the allied health industries. TOC also provides Healthia with the expertise, people, platforms and systems required for continued organic and acquisitive growth in the optometry industry".

¹ Earnings before interest, tax, depreciation and amortisation, removing the impacts of AASB 16 (EBITDA). Underlying EBITDA reflects statutory EBITDA as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Healthia and/ or TOC, in accordance with AICD/Finsia principles of recording underlying EBITDA. Underlying EBITDA has not been audited.

² Clinic contribution only; excludes corporate support costs of \$2.67m as set out in page 22 of accompanying Investor Presentation.

³ Underlying Revenue reflects statutory revenue as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of Healthia and TOC in accordance with AICD/Finsia principles of recording underlying results and includes adjustments for the impacts from COVID-19 for both Healthia and/ or TOC. Underlying Revenue has not been audited.

⁴ Underlying net profit after tax and before amortization of customer lists (UNPATA) reflects the Directors' assessment of the result for the ongoing business activities of the Healthia and/ or TOC, in accordance with AICD/Finsia principles of recording underlying profits. Underlying profit has not been audited.

⁵ With the inclusion of optometry and audiology industries in Australia. For details of how the addressable market is calculated please refer to page 38 of the accompanying investor presentation.

⁶ Information on Colin Kangisser's work experience can be found in the "Overview of The Optical Company" section of this announcement and on page 17 of the accompanying investor presentation.

Mr Colin Kangisser, Founder and CEO of TOC said, "We are excited to partner with Healthia. We believe there is a strong alignment between our respective businesses and that there exists a significant opportunity to continue our organic and acquisitive growth. I am proud of the TOC business, and staff across Support Office and in the stores and look forward to our next phase of growth with Healthia."

The Acquisition will strengthen Healthia's position as Australia's leading allied health operator with combined FY20 financial results as follows: Underlying Revenue⁷, underlying EBITDA⁸ and UNPATA (attributed to Healthia shareholders)⁹ of \$128.3 million, \$18.9 million and \$7.5 million respectively.

Post completion of the Acquisition, Healthia will operate three distinct operating segments as follows (expected revenue and underlying EBITDA contribution shown in brackets):

1. **Feet & Ankles:** previously reported as the podiatry division (37% of underlying revenue, 43% of underlying EBITDA)
2. **Bodies & Minds:** previously reported as the physiotherapy division (35% of underlying revenue, 27% of underlying EBITDA), and
3. **Eyes & Ears:** newly formed division due to the Acquisition (28% of underlying revenue, 30% of underlying EBITDA)

The Acquisition increases Healthia's total addressable revenue market from \$6.5 billion to \$9.8 billion¹⁰ (\$2.7bn in Feet & Ankles, \$3.3bn in Bodies & Minds, \$3.3bn in Eyes & Ears)¹¹ with Healthia holding approximately 1.5% total addressable market share (<1.5% in Feet & Ankles, <1.5% in Bodies & Minds, <1.5% in Eyes & Ears).

Healthia was advised by Clayton Utz and Ernst & Young in relation to the transaction. The Optical Company was advised by Miles Advisory Partners, K&L Gates and Deloitte in relation to the transaction.

THE OPTOMETRY INDUSTRY

The Australian optometry and optical dispensing industry revenue is estimated to be \$3.8 billion¹² and is expected to grow at 2.1% per annum over the 5 year period from 2020 to 2025¹³. Growth is projected over the next five years due to:

- Australia's ageing population
- Growing awareness of eye health and UV eye protection
- Increasing digital eyestrain due to increasingly higher uses of laptops, PCs and mobile devices
- Favourable fashion trends and a growing array of frames, and
- An increase in the number of eye care services

The Australian optometry and optical dispensing industry is made up of circa 3,500 stores¹⁴ with two main players contributing the following:

- Luxottica with 410 stores¹⁵ in Australia and New Zealand with Australian revenue of circa \$558.8 million¹⁶; and
- Specsavers with 330 stores¹⁷ and revenue of circa \$989.3 million¹⁸ in Australia.

The optometry industry remains fragmented in Australia with approximately 2,700 stores, and \$2.2 billion¹⁹ of the industry revenue being owned by independent operators, including single and multi-store operators.

OVERVIEW OF THE OPTICAL COMPANY

Founded in 2006 by registered optometrist and current CEO Colin Kangisser, TOC is a leading Australian optometry business with a portfolio of 41 stores providing a full range of optometry services and related products.

TOC operates a multi-brand portfolio, each of which are tailored to the demographics of the region:

⁷ Underlying Revenue reflects statutory revenue as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of Healthia and TOC in accordance with AICD/Finsia principles of recording underlying results and includes adjustments for the impacts from COVID-19 for both Healthia and/or TOC. Underlying Revenue has not been audited.

⁸ Underlying EBITDA means earnings before interest, tax, depreciation and amortisation, removing the impacts of AASB 16. Underlying EBITDA reflects statutory EBITDA as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Healthia and/or TOC, in accordance with AICD/Finsia principles of recording underlying EBITDA. Underlying EBITDA has not been audited.

⁹ UNPATA (attributed to Healthia shareholders) mean underlying net profit after tax and before amortization of customer lists. UNPATA reflects the Directors' assessment of the result for the ongoing business activities of the Healthia and/or TOC, in accordance with AICD/Finsia principles of recording underlying profits. Underlying profit has not been audited.

¹⁰ With the inclusion of optometry and audiology industries in Australia. For details of how the addressable market is calculated please refer to page 38 of the accompanying investor presentation.

¹¹ For details of how the addressable market is calculated please refer to page 38 of the accompanying investor presentation.

¹² Source: IBIS World – Optometry and Optical Dispensing Industry Australia (Feb 2020).

¹³ Source: IBIS World – Optometry and Optical Dispensing Industry Australia (Feb 2020).

¹⁴ Source: IBIS World – Optometry and Optical Dispensing Industry Australia (April 2019).

¹⁵ Source: as reported on pages 28 & 29 of the Luxottica 2018 Annual Report. Includes New Zealand store numbers as these are not reported separately.

¹⁶ Source: IBIS World – Optometry and Optical Dispensing Industry Australia (Feb 2020).

¹⁷ Source: as reported on page 7 of the Specsavers 2018-2019 Annual Report.

¹⁸ Source: IBIS World – Optometry and Optical Dispensing Industry Australia (Feb 2020).

¹⁹ Source: IBIS World – Optometry and Optical Dispensing Industry Australia (Feb 2020).

- Kevin Paisley Optometrists: 13 stores across Victoria (11) and South Australia (2)
- nib Eye Care: 10 stores across NSW Central Coast (4 stores), Sydney (3 stores), Brisbane (1 store), Melbourne (1 store) and Canberra (1 store)
- Optical Warehouse: 8 stores in Southeast QLD
- The Optical Company: 6 stores across New South Wales (5 stores), and the Gold Coast (1 store), and
- Stacey & Stacey Optometrists: 4 stores in North Queensland

In addition to the 41 optometry stores, TOC is vertically integrated and owns and operates an established eyewear frame distributor, Australian Eyewear Distributors (**AED**). AED distributes a diverse range of fashionable eyewear products consisting of both international and private label brands, to the TOC group.

TOC has a 15-year track record of acquiring and integrating optometry businesses in Australia and has created the platform to allow continued growth via its key strategic objectives:

- Optometry led business model, supported by an experienced management team who have experience in the optometry industry
- Organic growth strategies including:
 - The “Simply Better” campaign, which is focused on education and training, customer journey and visual merchandising
 - Centralised support function including centralised practice management software
 - Targeted marketing and customer retention strategies
 - The introduction of additional optometry services increasing the offering to customer
- Roll out of complementary services inside of existing stores including the introduction of audiology services
- Vertically integrated business model via its established eyewear distributor AED. AED has established a diverse range of eyewear products and is uniquely situated to be able to expand its brand offering as trends and opportunities in the market present, and
- Opportunity to continue to acquire and integrate well established optometry businesses at attractive multiples. Furthermore, an ageing subset of independent optometrists reaching retirement and succession age is expected to drive further acquisition opportunities.

On completion of the Acquisition, Founder and CEO Colin Kangisser will be appointed CEO of Healthia's newly formed Eyes & Ears Division and as an Executive Director of Healthia Limited. Colin is a registered optometrist with over 30 years' optometry experience. He founded, and has grown, multiple optical businesses including Kays Optical and prior to establishing TOC, Colin held an executive leadership position with OPSM Group.

ACQUISITION FUNDING AND EQUITY RAISING

The purchase price of \$43.0 million to be paid for the Acquisition, and the associated transaction costs of approximately \$1.5 million, will be funded as follows:

- Up to \$15.3 million²⁰, to be raised by Healthia via an accelerated non-renounceable pro-rata entitlement offer, with the accelerated institutional offer being fully underwritten
- \$15.0 million debt from Healthia's existing syndicated finance facility with ANZ and BOQ
- \$2.3 million from Healthia's existing cash reserves
- 9,400,000 Healthia shares (being approximately \$8.9 million) to the vendors of the Acquisition²¹, to be held in voluntary escrow²², and
- deferred consideration of \$3 million (partially secured) payable 12 months after completion, able to be used to cover completion adjustments relating to the period prior to completion.

FINANCIAL IMPACT

The impact of the Acquisition on Healthia's FY20 financial position and underlying performance is set out in Table 1 below. Key points as follows:

- The Acquisition is expected to deliver circa ~15% underlying earnings per share (**Underlying EPS**)²³ accretion (excluding transaction and integration costs)

²⁰ Any shortfall in the Retail Entitlement Offer will be funded through HLA cash reserves and/ or debt

²¹ 9,400,000 fully paid ordinary HLA shares to be issued to the vendors of the Acquisition at the issue price which will be the lower of (i) the 30 day weighted average price of HLA at the date of the sale agreement for the Acquisition; and (ii) the lowest price offered under any capital raising of at least \$50,000 by the Company between 1 September 2020 and completion of the Acquisition. Following the issue of the Healthia shares to the vendors of the Acquisition and the Entitlement Offer neither vendor will hold more than ~5.3% of the issued capital in Healthia.

²² HLA shares to be held in voluntary escrow by the Vendors for between 6 months and 24 months

²³ Underlying EPS means underlying earnings per share and is calculated as UNPATA attributable to shareholders divided by the shares on issue for a combined Healthia and TOC group for the financial year ending 30 June 2020. UNPATA mean underlying net profit after tax and before amortization of customer lists reflects the Directors' assessment of the result for the ongoing business activities of the Healthia and/ or TOC, in accordance with AICD/Finsia principles of recording underlying profits. Underlying profit has not been audited.

- Leverage ratio (Debt/EBITDA) expected to remain at less than 2.0x (with a banking covenant requirement of less than 2.5x²⁴)
- Balance sheet capacity available to continue acquisition growth via free cash, bank debt, vendor deferred consideration and clinic class shares
- Healthia to continue to target a dividend payout ratio of 40% - 60% of UNPATA, which is to be supported by a dividend reinvestment plan to assist Healthia to preserve cash reserves, and
- Due to the +51% increase in the addressable industry revenue from \$6.5 billion to \$9.8 billion²⁵, Healthia has revised its target of deployed capital on new acquisition each year from >\$15.0 million to >\$20.0 million.

Table 1: Key financial metrics

\$'000	HLA FY20 Underlying	TOC FY20 Underlying	Combined FY20 Underlying	% Change
Underlying Revenue ²⁶	92,493	35,810	128,303	38.7%
Operating Expenses	79,263	30,120	109,382	38.0%
Underlying EBITDA ²⁷	13,230	5,690	18,921	43.0%
UNPATA ²⁸ (attributed to Healthia shareholders)	4,629	2,845	7,474	61.5%
Assets	129,285	28,570	157,855 ²⁹	22.1%
Equity	57,856	9,118	66,974 ³⁰	15.8%
Shares on issue (millions)	63.0 ³¹	25.5	88.5	40.4%
Underlying EPS (cents) ³²	7.34	n/a	8.44	15.0%
Debt / EBITDA (x) ³³	1.78x	n/a	1.97x	19.1bp

A reconciliation of statutory to underlying EBITDA is provided in the accompanying Investor Presentation on page 23.

EQUITY RAISING

Healthia will undertake an equity raising to assist with the funding of the acquisition of TOC as follows:

1. a fully underwritten 1 for 4 pro rata accelerated non-renounceable entitlement of new fully paid ordinary shares in Healthia to certain institutional and professional investors (**Institutional Entitlement Offer**); and
2. a 1 for 4 pro rata non-renounceable entitlement offer of new fully paid ordinary shares in Healthia to eligible retail shareholders (**Retail Entitlement Offer**).

The Institutional Entitlement Offer and Retail Entitlement Offer are together, the **Offer**.

The Institutional Entitlement Offer is underwritten by Canaccord Genuity (Australia) Limited (the **Underwriter**). The Retail Entitlement Offer is not underwritten.

²⁴ Calculated on a pre-AASB16 adjusted basis and being adjusted for acquisitions where not held for a full 12 months.

²⁵ With the inclusion of optometry and audiology industries in Australia. For details of how the addressable market is calculated please refer to page 38 of the accompanying investor presentation.

²⁶ Underlying Revenue reflects statutory revenue as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of Healthia and TOC in accordance with AICD/Finsia principles of recording underlying results and includes adjustments for the impacts from COVID-19 for both Healthia and/or TOC. Underlying Revenue has not been audited.

²⁷ Earnings before interest, tax, depreciation and amortisation, removing the impacts of AASB 16 (EBITDA). Underlying EBITDA reflects statutory EBITDA as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Healthia and/or TOC, in accordance with AICD/Finsia principles of recording underlying EBITDA. Underlying EBITDA has not been audited.

²⁸ Underlying net profit after tax and before amortization of customer lists (UNPATA) reflects the Directors' assessment of the result for the ongoing business activities of the Healthia and/or TOC, in accordance with AICD/Finsia principles of recording underlying profits. Underlying profit has not been audited.

²⁹ Aggregation of FY20 audited financials for Healthia and TOC. Acquisition accounting has not been applied, nor has the impact of the Entitlement Offer.

³⁰ Aggregation of FY20 audited financials for Healthia and TOC. Acquisition accounting has not been applied, nor has the impact of the Entitlement Offer.

³¹ Shares equal the weighted average number of shares on issue in HLA as at 30 June 2020.

³² Underlying EPS means underlying earnings per share and is calculated as UNPATA attributable to shareholders divided by the shares on issue for a combined HLA and TOC group.

³³ Estimated based on the principles of calculation for debt covenants per HLA's syndicated finance facility with ANZ and BOQ. Excludes any debt drawn in relation post 30 June 2020 acquisitions by HLA.

Under the Offer, eligible shareholders will be able to subscribe for 1 fully paid ordinary share (**New Shares**) for every 4 Healthia shares that they hold at 7:00pm (AEDT) on Tuesday, 3 November 2020 (**Record Date**) at the issue price of \$0.95 per New Share (**Offer Price**).

The Offer will result in approximately 16.1 million³⁴ New Shares being issued, equivalent to approximately 25.0% of Healthia's total shares on issue as at 29 October 2020. New Shares will rank equally in all respects with existing shares of Healthia.

The Offer Price of \$0.95 represents a discount per share of:

- 7.8% discount to the last close price of \$1.030 on Thursday, 29 October 2020; and
- 8.2% discount to the 5-day weighted average price of \$1.035 for the trading up to and including Wednesday, 28 October 2020.

The Offer is non-renounceable, and rights are not transferrable and will not be traded on the Australian Securities Exchange (**ASX**) or any other exchange. Eligible shareholders who do not take up their entitlement under the Offer in full or in part will not receive any value in respect of those entitlements not taken up.

The following Directors of Healthia, who are shareholders, have indicated they will participate in the Offer:

- Glen Richards
- Paul Wilson including entering into an agreement with the Underwriter to sub-underwrite \$750,000 of the Institutional Entitlement Offer³⁵
- Lisa Dalton
- Wesley Coote (partial participation)
- Darren Stewart (partial participation) and
- Anthony Ganter (partial participation)

INSTITUTIONAL ENTITLEMENT OFFER

The Institutional Entitlement Offer is underwritten by the Underwriter.

The Institutional Entitlement Offer opens on Friday, 30 October 2020 and closes at 3:00pm on Friday, 30 October 2020. Certain institutional and professional investors who are Healthia shareholders as at 7:00pm (AEDT) Tuesday 3 November 2020 as determined by the Underwriter may receive an offer under the Institutional Entitlement Offer, provided they are not an Ineligible Institutional Shareholder.

Under the Institutional Entitlement Offer, Eligible Institutional Shareholders can choose to take up all, part or none of their entitlement. Entitlements not taken up under the Institutional Entitlement Offer will be offered by the Underwriter to eligible institutional investors at the Offer Price.

Ineligible institutional shareholders, being an institutional or professional investor with an address outside of Australia, New Zealand, Hong Kong, Singapore, the United Kingdom or the United States or whom the Underwriter and Company determine will be an Ineligible Institutional Shareholder for the purpose of the Institutional Entitlement Offer.

The Institutional Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferable.

RETAIL ENTITLEMENT OFFER

The Retail Entitlement Offer is not underwritten.

Eligible Retail Shareholders³⁶ with a registered address in Australia or New Zealand on the Record Date of 7:00pm (AEDT) Tuesday, 3 November 2020 have the opportunity to invest in New Shares at the Offer Price, on the terms and conditions that will be set out in the retail offer booklet to be sent to eligible retail shareholders on or around Friday 6 November 2020.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are generally ineligible to participate in the Retail Entitlement Offer. Shareholders who are on the share register on the Record Date will be notified by Healthia if they are ineligible to participate in the Entitlement Offer. Eligible Shareholders will receive a retail offer

³⁴ Note: excludes the impact of the 9.4 million shares to be issued to the vendors as part consideration for the acquisition of TOC.

³⁵ Millease Pty Ltd as trustee for the Wilson Family Trust (an entity controlled by Paul Wilson) will enter into an agreement to sub-underwrite the Institutional Entitlement Offer for a fee of 1% of the amount being sub-underwritten (being up to \$750,000).

³⁶ Eligible Retail Shareholder means existing Healthia shareholders as at 7:00pm Tuesday 3 November 2020 who have a registered address in Australia or New Zealand or are shareholders that Healthia has otherwise determined is eligible to participate in the Retail Entitlement Offer, who are not in the United States or acting for the account or benefit of a person in the United States and who are not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder.

booklet, including a personalised entitlement and acceptance form, which will provide further details of how to participate in the Entitlement Offer.

Under the Retail Entitlement Offer, eligible retail shareholders that take up their full entitlement may also apply for additional New Shares in excess of their entitlement at the Offer Price (subject to scale-back, at Healthia's discretion). The maximum amount of additional New Shares that an eligible retail shareholder can apply for is 50% of their entitlement.

The Retail Entitlement Offer is not underwritten.

KEY DATES

Key dates in relation to the Offer are as follows:

Event	Date
Announcement of the Entitlement Offer	Friday, 30 October 2020
Entitlement Offer Record Date	7:00pm Tuesday, 3 November 2020
Institutional Entitlement Offer	Date
Institutional Entitlement Offer opens	Friday, 30 October 2020
Institutional Entitlement Offer closes	3:00pm Friday, 30 October 2020
Announcement of results of Institutional Entitlement Offer	Tuesday, 3 November 2020
Shares recommence trading	Tuesday, 3 November 2020
Settlement of New Shares issued under the Institutional Entitlement Offer	Monday, 9 November 2020
Issue and commence of trading of New Shares under the Institutional Entitlement Offer	Tuesday, 10 November 2020
Retail Entitlement Offer	Date
Retail offer booklet despatched to Eligible Retail Shareholders and Retail Entitlement Offer opens	Friday, 6 November 2020
Retail Entitlement Offer closes	5:00pm Tuesday, 17 November 2020
Announcement of results of Retail Entitlement Offer	Thursday, 19 November 2020
Settlement of New Shares issued under the Retail Entitlement Offer	Tuesday, 24 November 2020
Issue of New Shares under the Retail Entitlement Offer	Wednesday, 25 November 2020
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Thursday, 26 November 2020
Holding statements in respect of New Shares issued under the Retail Entitlement Offer despatched	Thursday, 26 November 2020

This timetable is indicative only and Healthia may, at its discretion, vary the above dates by lodging a revised timetable with the ASX. All times referred to in this table are Australian Eastern Daylight Time (AEDT).

FY2021 TRADING UPDATE

Healthia continues to take preventative measures against the spread of COVID-19 and has implemented comprehensive internal policies and procedures to protect its patients, customers and team members against the spread of COVID-19, including a range of workplace preventative health and safety measures. Providing a safe environment for our patients, customers and team members is a priority, and Healthia continues to follow all recommendations of the Australian Government. TOC has similar COVID-19 safe practices in place which will continue post completion of the Acquisition.

Both Healthia and TOC qualified for JobKeeper payments in April 2020, however, neither business³⁷ re-qualified under the revised eligibility criteria after 30 September 2020 and the receipt of JobKeeper payments has now ended.

³⁷ One TOC business, Point Cook Optical Pty Limited, has re-qualified under the revised criteria. The business employs one employee.

During the financial quarter from 1 July 2020 to 30 September 2020 (**September Quarter**), both the Healthia and TOC businesses in Victoria were impacted by the lockdown restrictions imposed by the Victorian state government. The exposure to Victoria post completion of the Acquisition is as follows:

- 22 podiatry clinics representing 22.9% of the total businesses operated under the Feet & Ankle segment
- 1 physiotherapy clinic representing 1.7% of the total businesses operated under the Bodies & Minds segment, and
- 12 optometry stores representing 28.5% of the total businesses to be acquired by Healthia and to form the Eyes & Ears segment

Notwithstanding the impact of government imposed lockdowns in Victoria, all segments achieved strong like-for-like/organic growth (**Organic Growth**)³⁸ during the September Quarter demonstrating the resilient, repeatable nature of the income of the allied health businesses, and the essential nature of the services provided by both Healthia and TOC. Organic Growth for the September Quarter was as follows:

- Feet & Ankle segment: organic growth of 13.0%
- Bodies & Minds segment: organic growth of 14.0%, and
- Eyes & Ears segment: organic growth of 4.7%.

FURTHER INFORMATION

Further details of the Acquisition and Entitlement Offer are set out in the Investor Presentation also provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer. All dollar amounts are in Australian dollars unless otherwise indicated.

CONTACT

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

<https://www.healthia.com.au/subscribe>

If you have any further questions, please contact:

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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.

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³⁸ Organic revenue growth is based on underlying unaudited revenue and is subject to change. Organic revenue growth has been calculated by excluding JobKeeper payments, any discontinued businesses and businesses not held during the prior period.