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EQUITY RAISING PRESENTATION

SEPTEMBER 2022

Healthia Limited
ACN 626 087 223



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General

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1. Executive Summary



EXECUTIVE SUMMARY (1/2)

After a year of transformation and growth, Healthia is well positioned for FY23 and beyond

FY22 results and trading update

- > FY22 was a **year of transformation and growth for Healthia**
- > During the year Healthia **deployed \$111.3m on acquisitions, increasing its portfolio from 212 to 307 businesses** (45% growth), including the acquisition of 63 Back In Motion physiotherapy businesses in Australia and New Zealand for consideration of \$91.7m
- > Healthia also **navigated through material business disruptions** including lockdowns in H1 and increased staff absenteeism and patient cancellations in H2 due to COVID-19, as well as isolated flooding events in South-East QLD and NSW
- > Healthia's **strategic objectives were refreshed to better reflect the size and scale of Healthia**, which has become one of Australia and New Zealand's largest allied health providers
- > **Trading performance since May 2022 has stabilised** – based on the unaudited 4 months of trading from 1 May 2022 to 31 August 2022, and considering seasonality, Healthia **reconfirms its expectation to deliver underlying EBITDA(u) of greater than \$40m for FY23**

Acquisitions and pipeline

- > Healthia has **entered into binding agreements to acquire 12 physiotherapy clinics** (combined purchase consideration of \$8.3m¹)
 - Corio Bay Health Group, a physiotherapy business located throughout south-west and south-east Melbourne and Geelong, Victoria (9 clinics)
 - Watsonia Physiotherapy, a physiotherapy business located in Watsonia, Victoria (1 clinic)
 - Sunshine Coast Hand Therapy, a hand therapy business located on the Sunshine Coast, Queensland (2 clinics), previously announced to the ASX on 6 June 2022. Healthia can confirm settlement was reached on 20 July 2022
- > These acquisitions are **expected to be immediately earnings accretive and contribute an annualised \$1.87m in EBITDA** (combined acquisition multiple of 4.4x EBITDA)
 - Any earnings contributed from acquisitions settled in FY23 will be in addition to the >\$40.0m EBITDA(u) guidance
- > Healthia continues **discussions with over 110 allied health businesses in its current pipeline**, with the status ranging from initial discussions to non-binding agreements and conditionally signed agreements
- > Healthia expects to continue to deploy a **minimum of \$20.0m of capital per annum** on new acquisitions

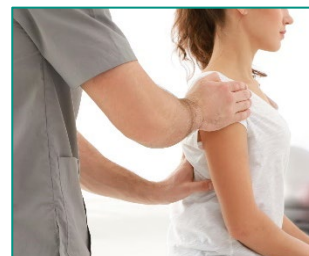
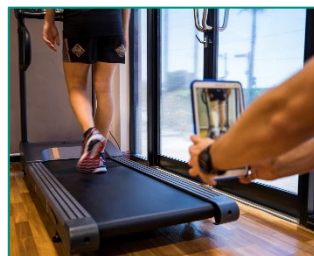
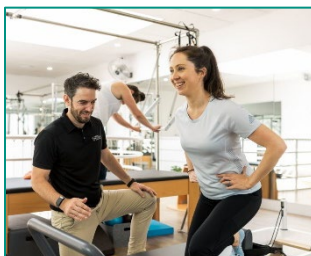
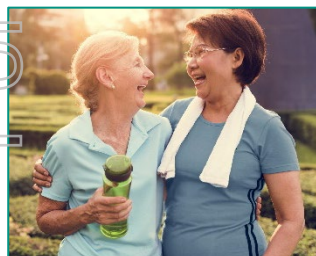
(1) Including CCS consideration

EXECUTIVE SUMMARY (2/2)

Equity raising to capitalise on acquisition opportunities
and provide financial flexibility

Equity raising

- > Healthia to launch a 1 for 12.5 pro rata accelerated non-renounceable entitlement offer to **raise up to \$15 million, partly underwritten to \$10 million**. New shares will be offered at a price of \$1.47 per share
- > **The equity raising allows Healthia to capitalise on accretive and strategic near-term acquisition opportunities as well as provide additional financial flexibility**
 - \$8.3m of acquisitions under binding agreement and expected to be immediately earnings accretive
 - >110 allied health businesses being reviewed as part of Healthia's active pipeline conversations
 - Healthia is confident in its ability to deploy \$20.0m+ in FY23
 - Supports investment in Technology Roadmap to leverage Healthia's large patient database, drive cross referral activities, enhance patient engagement and achieve operational efficiencies across the business
 - Provides additional balance sheet flexibility
- > Existing finance facility of \$100m with expiry in 2024. Following the equity raising and on a pro forma basis (as at 30 June 2022), Healthia would have total liquidity (cash and undrawn facilities) of ~\$36.2m



2. Healthia Overview + Acquisition Update



HEALTHIA ATTRIBUTES – OVERVIEW

Healthia is a market leader in allied health with a diversified portfolio of 307 businesses across Australia and New Zealand

DIVISIONS

Bodies & Minds

Our Bodies & Minds division consists of our network of physiotherapy, hand therapy, occupational therapy and speech pathology clinics located throughout Australia and New Zealand.

Feet & Ankles

Our Feet & Ankles division consists of our network of podiatry clinics and retail footwear stores located throughout Australia and the USA. The Feet & Ankles division also includes orthotic manufacturing business iOrthotics and podiatry wholesale business DBS.

Eyes & Ears

Our Eyes & Ears division consists of our network of optometry and audiology stores located throughout Australia. The Eyes & Ears division also include eye frame distributor AED.

UPDATED STRATEGY



Extensive Coverage



Growth



Innovation



Quality



Clinician Led

HIGHLIGHTS

Market leader



Healthia is a leading allied health provider across Australia and New Zealand with a portfolio of 307 business as at 30 June 22

Multi-disciplinary



Diversified exposure to physiotherapy, podiatry and optometry divisions

Clinician led



Clinician led and focus on patient care and outcomes – including alignment through share ownership under clinic class share model

Vertical offering



Vertically integrated business model via iOrthotics, DBS and AED offerings

Co-location opportunity



Opportunity to continue co-location and expanded service offering at each clinic

Tech-enabled



Leverage large patient database, drive cross referral activities, enhance patient engagement and achieve operational efficiencies

Consolidation opportunity



Healthia still holds less than 3.0% of total addressable industry revenue – significant runway for consolidation and growth in fragmented market

Strong cash flow



Repeatable cash flow and strong cash conversion – EBITDA(u) to underlying operating cash flow of 95.9% (FY21: 84.2%)

FY23 EBITDA



Based on recent trading, Healthia reconfirms its expectation to deliver underlying EBITDA of greater than \$40m for FY23

HEALTHIA STRATEGY

Healthia's purpose is to connect people with exceptional allied healthcare products and services, creating healthier lives and happier communities



Extensive Coverage

- > Ongoing sustainable expansion to deliver a product and services network accessible to 50% of Australian and New Zealanders
- > Continue to target \$20m+ p.a. acquisitions
- > Healthia announced completion of \$111.3m of acquisitions in FY22
- > Pipeline for acquisitions remains robust with over 110 allied health businesses in its pipeline of conversations
- > Healthia holds <3.0% of addressable industry revenue in its targeted allied health industries, providing scope for future growth



Growth

- > Strong performance and compliance to drive organic growth and provide opportunities for team member, patients, customer and shareholders
- > Key systems/processes have been developed to support organic growth with a focus on ensuring enhanced healthcare enabled through technology
- > Healthia is focused on connecting its patients and customers with individual allied healthcare requirements via cross referrals and patient engagement strategies
- > Continued focus on co-location/expanding service offering in each clinic



Innovation

- > At our core, continuous improvement and innovation ensuring we are seen as leaders in allied health
- > Innovation continues through our scalable, vertically integrated business model providing cost savings to the group
 - AED distributes a diverse range of premium, fashionable eyewear to Healthia stores only – typically leads to margin uplift post clinic acquisition
 - iOrthotics produces foam rubber EVA and 3D printed orthotic devices for Healthia podiatry clinics and external customers



Quality

- > Delivering quality and excellence in products and services to our patients and customer above all else
- > Quality established via industry leading education programs:
 - Graduate Program
 - Clinic Leadership Program
 - Business Leadership Program
 - Practice Management Program
 - Biennial conference
- > Programs provide support for clinicians, from new graduates to experienced staff members



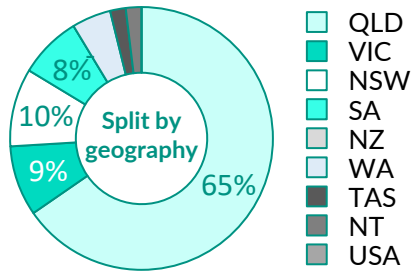
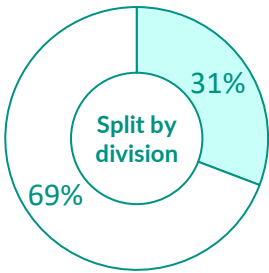
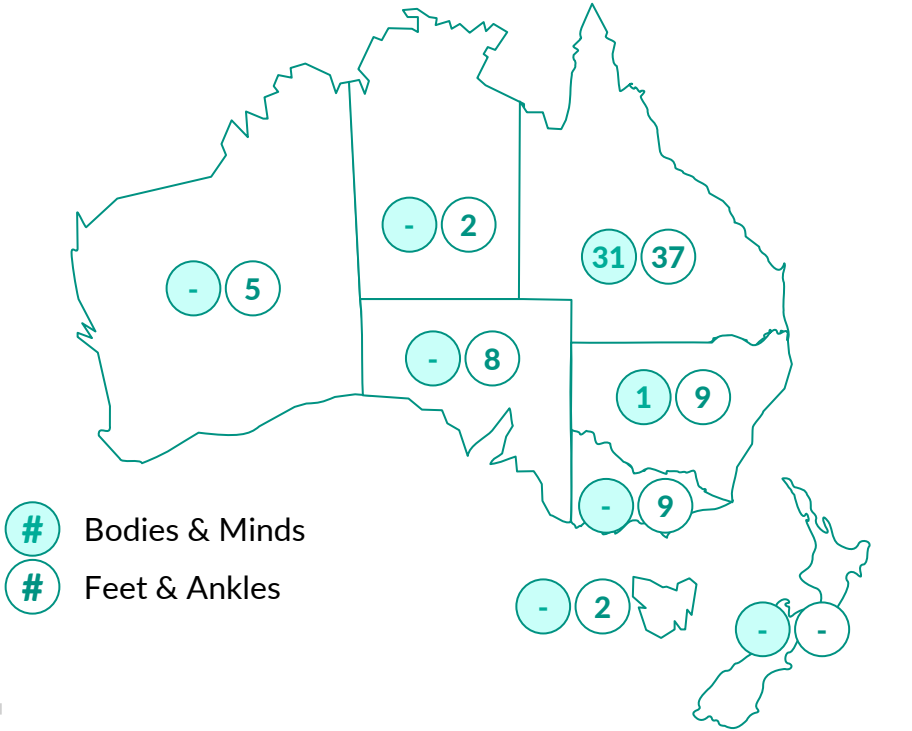
Clinician Led

- > Maximising the knowledge and experience within expert group focused on setting and improving industry standards for team members, business owners and patients and customers
- > At the clinic level our Clinician Retention Program ensures clinicians retain and acquire ownership interest in their clinic, ensuring key leadership remains in place

HEALTHIA JOURNEY

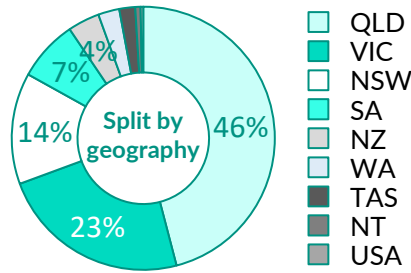
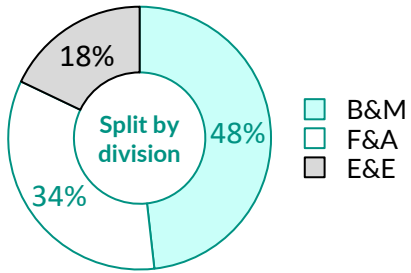
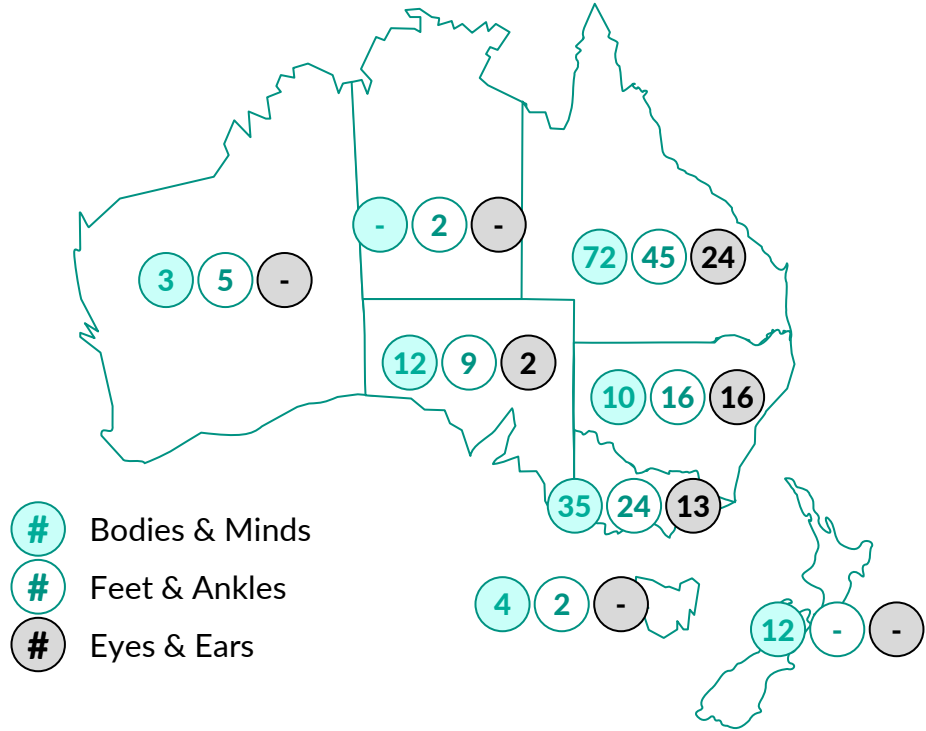
Healthia has strategically acquired practices, achieving diversity across geography and new allied health verticals

Businesses Owned as at IPO (August 2018) – 104 Businesses



Added 203 businesses since IPO (+195%)

Businesses Owned as at 30 June 2022 – 307 Businesses

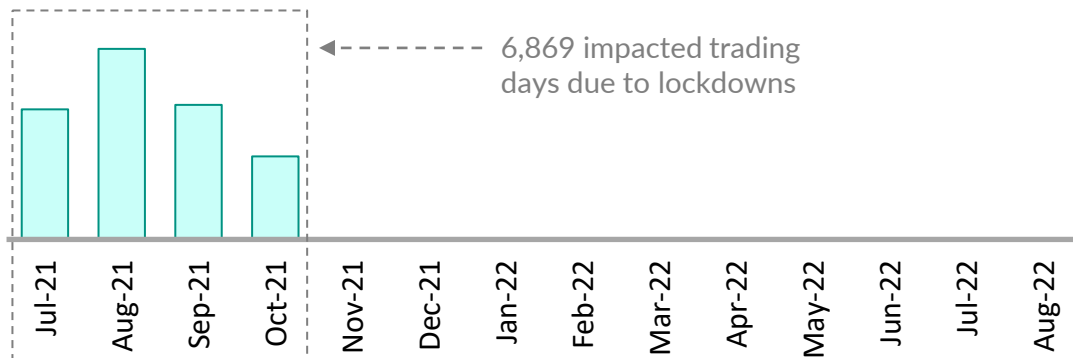


Diversified by segment and geography

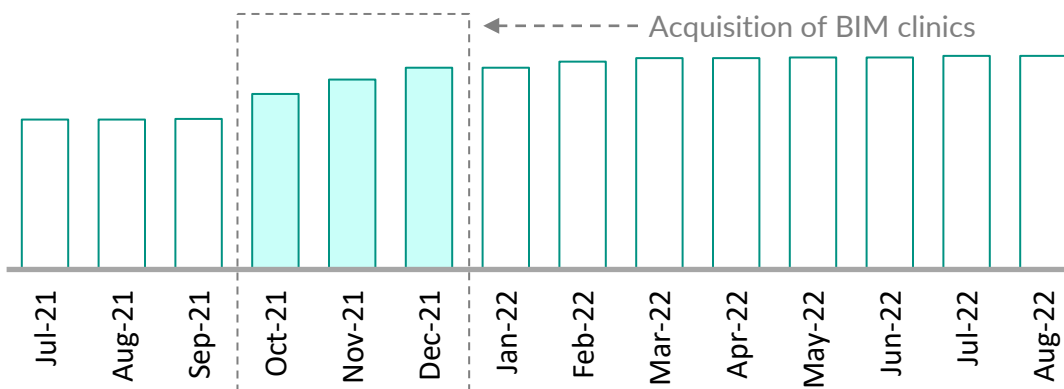
FY22 COVID IMPACTS

FY22 impacted by lockdowns in H1 and higher-than-normal cancellations/staff absenteeism in H2 due to ongoing impacts of COVID

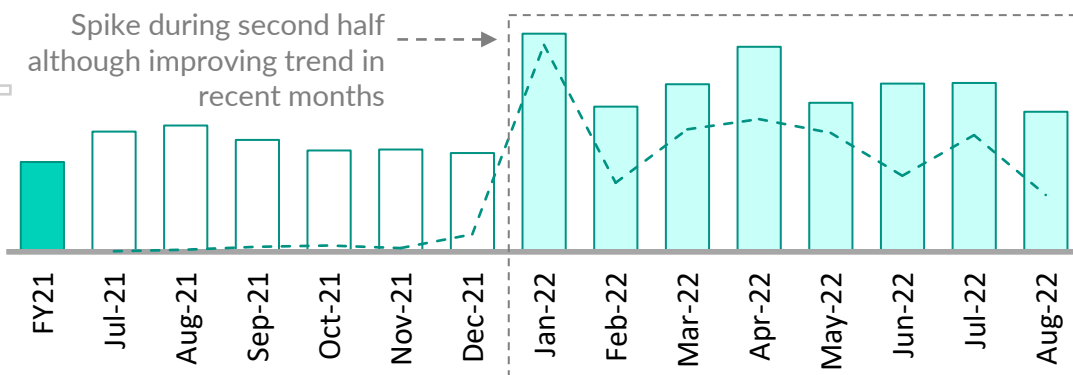
Trading days impacted due to lockdown¹



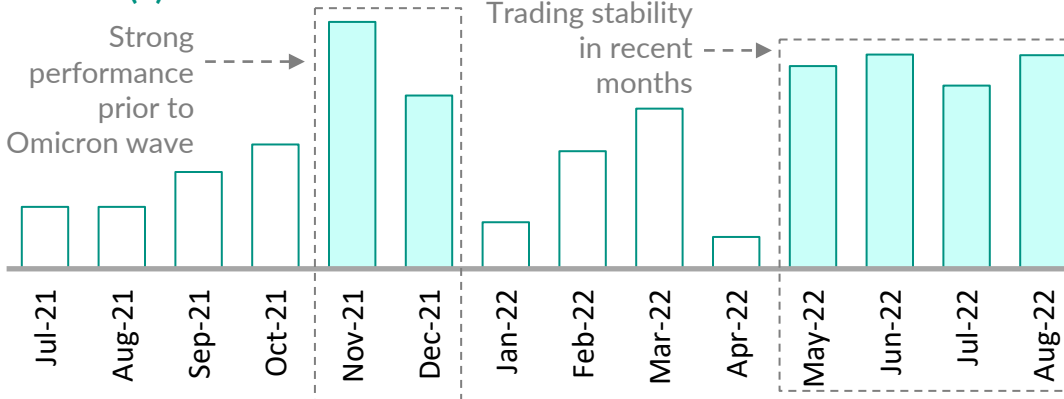
Clinic numbers



Sick leave as % of total wages² (bar chart) vs. reported COVID cases³ (line chart)



EBITDA(u)⁴



(1) Based on number of trading days in the state locked down multiplied by number of clinics affected by the lockdown

(2) Sick leave as a % of total wages is calculated as total sick leave paid for the month divided by total gross wages paid for the month. Note sick leave % for the period 1 January 2022 to 31 August 2022 was equal to 3.3% (FY21: 1.7%)

(3) COVID case numbers. Source: Australian Government Department of Health & Aged Care: <https://www.health.gov.au/health-alerts/covid-19/case-numbers-and-statistics#new-and-cumulative-cases>

(4) Refer to Appendix for definition of EBITDA(u)

EBITDA(u) BRIDGE

Despite lockdowns and cancellations/staff absenteeism, recent trading stability has provided confidence Healthia is placed to deliver FY23 EBITDA(u) > \$40m

EBITDA(u) Bridge to \$40m

FY22 EBITDA(u)

- ✗ Estimated 6,869 impacted trading days in H1 due to lockdowns¹
- ✗ H2 impacted by higher than normal staff absenteeism and patient and customer appointment cancellations due to illness
- ✗ H2 also impacted by isolated flooding events in South-East QLD and NSW
- ✗ As a result, Same Clinic Growth in revenue was down 8.1% (although up 3.4% when compared to FY20)

\$24.5M

FY22 EBITDA(u)

Bridge to FY23 EBITDA(u)

- + Addition of annualised EBITDA missing in FY22 from clinics/stores acquired during the year
- + Benefit of Same Clinic Growth driven by Healthia organic growth initiatives including fee increases (which took full effect in August 22) and head count increases expected from ongoing physiotherapy and podiatry recruitment and grad recruitment in Feb 2023
- + Adjustment for estimated impact of COVID lockdowns on trading in H1 as well as ongoing impacts of Omicron since December 2021

>\$40.0M

FY23 EBITDA(u)

FY23 EBITDA(u) Guidance

- ✓ After consideration of its unaudited 4-month trading period from 1 May 2022 to 31 August 2022 of EBITDA(u)² of \$13.0m, and considering seasonality, Healthia is pleased to confirm that it still expects to deliver EBITDA(u)² in FY2023 of greater than \$40.0m
- ✓ Factors in allowance for increase in corporate overheads
- ✓ Excludes upside from any clinics or stores acquired in FY23

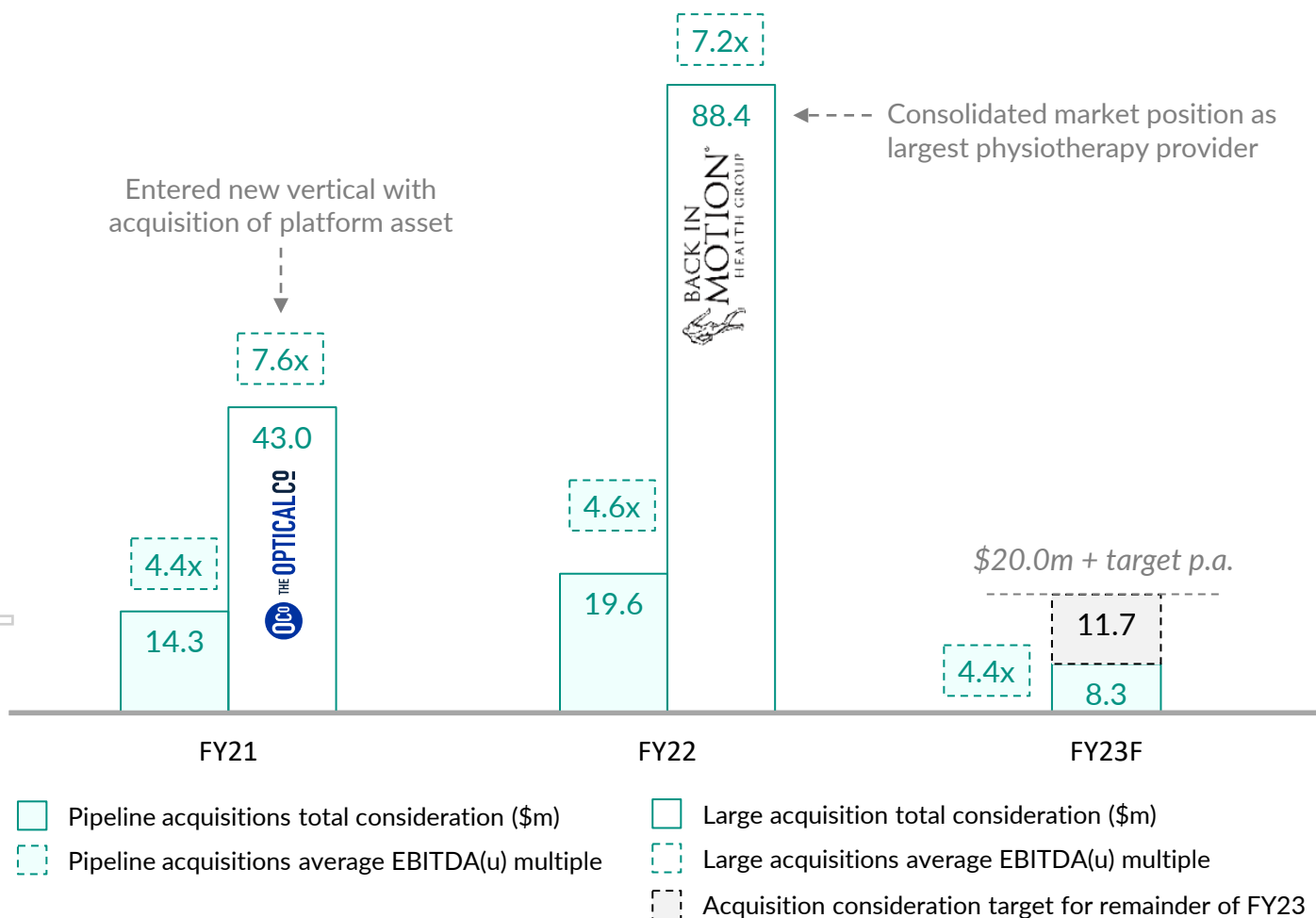
(1) Based on number of trading days in the state locked down multiplied by number of clinics affected by the lockdown

(2) Refer to Appendix for definition of EBITDA(u)

DELIVERING ACQUISITION GROWTH

Healthia has consistently exceeded annual acquisition targets and completed two step-change acquisitions

Acquisition consideration (\$m) and average multiple at time of purchase¹



- > Healthia has exceeded annual acquisition targets each year since listing
- > Strong track record of acquiring and integrating clinics/ small groups of clinics
 - Ability to leverage the Healthia business model, national platform and centralised support functions
- > Acquired The Optical Company in November 2020 to enter new vertical with attractive industry dynamics
 - Leading independent optometry business with vertically integrated supply chain via AED
 - Platform asset – since acquired and integrated 14 clinics achieving margin and operational benefits
- > Acquisition of 63 Back In Motion physiotherapy between October and December 2021
 - Provided geographical diversification – strong presence in Victoria and allowed entry into New Zealand market
 - Solidified Healthia's market-leading physiotherapy platform business
- > Healthia expects to continue to deploy \$20.0m+ of capital per annum on new acquisitions

(1) Based on acquisition consideration and average multiple at time of transaction announcement. Excludes impact of potential movement in value of share consideration post transaction announcement

PIPELINE ACQUISITIONS

Healthia maintains disciplined acquisition criteria to maximise returns for shareholders

CRITERIA	BODIES & MINDS	FEET & ANKLES	EYES & EARS
Financials	Clinics with a profitable track record and the opportunity for Healthia value add via revenue growth, margin improvement and operating efficiencies		
Target locations	Capital cities and major regional cities (with population greater than c.40k)		
Healthia value add	✓ Practice space capable of growth without significant investment ✓ Opportunity to introduce other allied health services into clinics (i.e. co-location) ✓ Ability to continue to engaged key clinicians via Clinic Class Shares ✓ Setting and improving industry standards for team members, business owners and patients and customers ✓ Expected to be earnings per share accretive	✓ Opportunity to leverage vertically integrated business units (iOrthotics and DBS) ✓ Target recall and reminder programs to leverage patient database ✓ Ability to continue to engage key clinicians via Clinic Class Shares ✓ Setting and improving industry standards for team members, business owners and patients and customers ✓ Expected to be earnings per share accretive	✓ Opportunity to leverage vertically integrated model (AED) ✓ Ability to implement supply chain synergies by implementing standardised inventory and merchandising plans ✓ Target recall and reminder programs to leverage patient and customer database ✓ Co-location opportunities for audiology ✓ Expected to be earnings per share accretive
Healthia market position	✓ Largest physiotherapy group in Australia and New Zealand ✓ Geographically diverse network of clinics 	✓ Largest podiatry group in Australia ✓ Unique vertically integrated operating model and cross-sell opportunities 	✓ Leading independent optometry group ✓ Vertically integrated operating model and ability to enhance margins 

NEW ACQUISITIONS

- > Healthia has entered into binding agreements to acquire the following businesses (together, the Acquisitions), comprising
 - Corio Bay Health Group, a physiotherapy business located throughout south-west and south-east Melbourne and Geelong, Victoria (9 clinics);
 - Watsonia Physiotherapy, a physiotherapy business located in Watsonia, Victoria (1 clinic)
- > Settlement has also been reached for the first acquisition of the financial year, being Sunshine Coast Hand Therapy (2 clinics), which was previously announced on the 6th of June 2022
- > It is expected that all conditions precedent will be satisfied and settlement reached for each of Watsonia Physiotherapy and Corio Bay Health Group on or before 30 October 2022
- > **These acquisitions are expected to be immediately earnings accretive and contribute an annualised \$1.87m in EBITDA(u)²**
- > Any earnings contributed from acquisitions settled in FY23 will be in addition to the >\$40.0m EBITDA(u)² guidance

Healthia has entered into binding agreements to acquire 12 clinics at an average EBITDA multiple of 4.43x

Summary Metrics

Expected annualised contribution from Acquisitions

Revenue(u) ¹	\$8.88m
EBITDA(u)^{3,4}	\$1.87m

Total Consideration (subject to completion adjustments⁴)

Upfront cash consideration	\$6.61m
Issue of Clinic Class Shares ⁵	\$1.68m
Total upfront consideration⁶	\$8.29m

Blended EBITDA multiple	4.43x
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Notes: (1) Revenue(u) and EBITDA(u) numbers are based on historical trading, normalised in accordance with Healthia's acquisition and accounting policies, removing the impacts of AASB16; (2) EBITDA(u) means underlying earnings before interest, tax, depreciation and amortisation, removing the impacts of AASB16. EBITDA(u) reflects EBITDA as adjusted to reflect the Directors' assessment of the result for the ongoing business activities, in accordance with AICD/Finsia principles. EBITDA(u) has not been audited; (3) EBITDA(u) includes the approximate 20% 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 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. (6) In addition to the upfront consideration, contingent consideration of up to \$3.76m may become payable as cash consideration, subject to the achievement of pre-defined performance conditions

MARKET OPPORTUNITY

Healthia operates in a large and highly fragmented market and has a strong pipeline of near term acquisition opportunities

- > Healthia is a market leader in physiotherapy and podiatry segments as well as independent optometrists, however still holds **less than 3.0% of total addressable industry revenue** – there is a significant runway for consolidation and growth in these fragmented industries
- > Healthia continues discussions with over 110 allied health businesses in its current pipeline, with the status ranging from initial discussions to non-binding agreements and conditionally signed agreements
- > Healthia expects to continue to **deploy a minimum of \$20.0m of capital per annum** on new acquisitions

DIVISION	MARKET SIZE	MARKET SHARE	CURRENT # CLINICS	PIPELINE - DISCUSSIONS	HEALTHIA TARGET
Bodies & Minds	\$3.8B ²	<4.0%	148	Number of allied health businesses being reviewed as part of Healthia's active pipeline conversations	Healthia expects to deploy a minimum of \$20.0m in capital per annum on new acquisitions
Feet & Ankles	\$2.7B ¹	<2.5%	104		
Eyes & Ears	\$3.3B ³	<1.5%	55		
TOTAL	\$9.8B ⁴	<3.0%	307	>110	\$20.0m

Notes: (1) Australian Podiatry Industry Revenue of \$864m (Source: IBISWorld Industry Report Q8539 dated December 2016) + Insole United States Industry Revenue of \$1.8bn (Source: Transparency Market Research, "Foot Orthotic Insoles Market - Global Industry Analysis, Size, Share, Growth, Trends, and Forecast, 2018–2026"). The author has not provided their consent for the statement to be included. (2) Australian Physiotherapy Industry Revenue of \$2.5bn (Source: IBISWorld Industry Report Q8533 dated September 2020) + Other Allied Health Services in Australia Industry Revenue of \$1.3bn (Source: IBISWorld AU Industry (ANZSIC) Report Q8533 dated September 2020). Information excludes the addressable industry revenue for physiotherapy in New Zealand as accurate information was not available. The author has not provided their consent for the statement to be included. (3) Australian Optometry Industry Revenue of \$2.2bn which is equal to the industry revenue of \$3.8bn less the market share held by Luxottica and Specsavers (Source: IBISWorld Industry Report Q8532 dated February 2020) + Audiology AUD Industry Revenue of \$1.1bn (Source: IBISWorld Industry Report Q8539 dated December 2016). The author has not provided their consent for the statement to be included. (4) Total addressable revenue has only been included for industries where information was available or reliable. Addressable industries revenue excludes address industry revenue from Australian insole market, Australian allied health wholesale supplies, Australian optical eyewear supplies and Australian retail footwear.

3. Equity Raising Details



EQUITY RAISING RATIONALE

Equity raising to capitalise on large near term pipeline opportunity and provide additional financial flexibility

- > Equity raising allows Healthia to capitalise on accretive and strategic near term acquisition opportunities as well as provide additional financial flexibility
- > Significant near term pipeline opportunity available
 - \$8.3m of acquisitions¹ under binding agreement – expected to be immediately earnings accretive
 - >110 allied health businesses being reviewed as part of active pipeline conversations
 - Healthia confident in its ability to deploy \$20.0m+ in FY23
 - Continuing to build platform and solidify Healthia's position as a market-leading allied health provider
- > The equity raising also provides Healthia with additional financial flexibility and a strengthened balance sheet to pursue other organic initiatives
 - Supports investment in Technology Roadmap to leverage Healthia's large patient data base, drive cross referral activities, enhance patient engagement and achieve operational efficiencies across the business
 - Provides additional balance sheet flexibility
- > Existing finance facility of \$100m with expiry in 2024 – following the equity raising and on a pro forma basis (as at 30 June 2022), Healthia would have total liquidity (cash and undrawn facilities) of ~\$36.2m²
- > As part of the Company's ongoing growth strategy, future acquisitions are expected to be funded from cash and existing bank facilities. Given the scale achieved during FY22, the Company is negotiating with its financiers a number of changes to its existing Syndicated Facility Agreement designed to provide greater flexibility and certainty to its banking facilities going forward, including in respect of the leverage covenants, to ensure that additional headroom is available if required in the future to pursue acquisitions.
 - Target long term debt to EBITDA ratio remains at <2.0x³

Sources (\$m)	Min. Raise ⁴	Max. Raise
Equity raising	10.0	15.0
Total Sources	10.0	15.0

Uses (\$m)	Min. Raise ⁴	Max. Raise
Pipeline acquisitions ⁵	3.0	3.0
Working capital/growth funds	6.4	11.2
Transaction costs	0.6	0.8
Total Uses	10.0	15.0

Pro Forma Balance Sheet (30 June 22) (\$m) (assuming Max. Raise)			
	30 June 22 ⁶	Adjustments ⁷	Pro Forma
Cash	5.7	11.2	16.9
Debt (excluding overdraft)	(77.1)	(3.6)	(80.7)
Other net assets	243.9	6.6	250.5

Notes: (1) Cash component equals \$6.6m and is net of CCS consideration; (2) Assuming maximum raising of \$15.0m (i.e. facility headroom of \$19.3m plus \$16.9m of cash) and on a pro forma basis as at 30 June 2022; (3) Note, assumes \$3.6m of \$6.6m net upfront cash consideration is funded by debt, in line with Healthia's target long term debt to EBITDA ratio of <2.0x; (4) Entitlement Offer partially underwritten to \$10.0m; (5) Pipeline acquisition consideration reflects upfront cash consideration (excluding CCS consideration) for Corio Bay Health Group, Watsonia Physiotherapy and Sunshine Coast Hand Therapy (noting Sunshine Coast Hand Therapy upfront net cash consideration of \$1.0m was settled on 20th July 2022 via Healthia's debt facility). Note, assumes \$3.0m of \$6.6m net upfront consideration is funded via equity raising and balance of \$3.6m is funded via Healthia's debt facility. Actual mix of cash/debt funding for acquisitions may change; (6) 30 June 2022 balance sheet based on unaudited 4E Results. Note, debt excludes overdraft amount of \$1.95m as at 30 June 2022; (7) Adjustments include the already settled Sunshine Coast Hand Therapy which occurred on 20 July 2022.

EQUITY RAISING DETAILS (1/2)

The Equity Raising Size and Structure

- > A 1 for 12.5 pro rata accelerated non-renounceable entitlement offer to Eligible Shareholders (**Entitlement Offer**) to raise approximately \$15 million, partly underwritten to \$10 million, comprising:
 - An Institutional Entitlement Offer to raise approximately \$10.0 million (**Institutional Entitlement Offer**)
 - A Retail Entitlement Offer to raise approximately \$5.0 million (**Retail Entitlement Offer**)
- > The Institutional Entitlement Offer and the Retail Entitlement Offer are together, the **Entitlement Offer**
- > Approximately 10,265,323 million New Shares to be issued under the Entitlement Offer representing approximately 8% of current issued capital

Entitlement Offer Price

- > The Entitlement Offer will be offered at a price of \$1.47 per New Share (Offer Price)
 - 3.3% discount to the last close price of \$1.520 on Wednesday, 7 September 2022
 - 11.1% discount to the 5-day VWAP price of \$1.653 for trading up to and including Wednesday, 7 September 2022
 - 3.1% discount to the theoretical ex-rights price¹ of \$1.516

Use of Proceeds

- > The proceeds will be used in the manner set out on page 20

Institutional Entitlement Offer

- > The Institutional Entitlement Offer opens on 8 September 2022 and will close at 5:00pm on 9 September 2022²
- > The Institutional Entitlement Offer is non renounceable, and entitlements will not be tradeable or otherwise transferable

Retail Entitlement Offer

- > The Retail Entitlement Offer to open on 15 September 2022 and close at 5:00pm on 30 September 2022²
- > The Retail Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable

Lead Manager and Underwriter

- > Canaccord Genuity (Australia) Limited (**Underwriter**) has agreed to partly underwrite the Entitlement Offer, up to \$10.0 million

Non-Underwritten Shortfall

- > If all New Shares available under the Entitlement Offer have not been subscribed for when the Entitlement Offer closes, the Directors reserve the right to seek bids from Shareholders (including, subject to shareholder approval, Directors of Healthia), institutions and other prospective investors for the Shares comprising the shortfall within three months of the Entitlement Offer closing at an issue price per Share of not less than the Offer Price. Allocation of any or all shortfall shares remains at the discretion of the Board.

Notes: (1) Theoretical ex-rights price calculation includes the Entitlement Offer; (2) These timings are indicative only and subject to variation. HLA reserves the right to alter the timetable at its absolute discretion and without notice, subject to the Listing Rules, Corporations Act and other applicable laws. All references are to Sydney time.

EQUITY RAISING DETAILS (2/2)

Non-Underwritten Shortfall (cont.)

- > In determining the allocation of any non-underwritten shortfall, the Directors will have regard to the following factors:
 - the need to recognise the on-going support of existing Shareholders of HLA;
 - identifying new potential long term or cornerstone investors;
 - ensuring an appropriate shareholder base for Healthia;
 - the desire to ensure applicants for any shortfall are treated fairly;
 - any control implications of an allocation to a particular applicant or particular applicants;
 - ensuring no allocation breaches the Corporations Act, ASX Listing Rules or any other relevant legislation or law.
- > HLA retains the flexibility to scale back application for the shortfall shares on a pro rata basis at its discretion. The Directors may reject any application for shortfall shares or allocate fewer shortfall shares than were applied for by applicants (in which case any excess application money will be refunded with interest).

Entitlement Offer Structure

- > Eligible Institutional Shareholders and Eligible Retail Shareholders will be invited to subscribe for 1 new HLA share (New Shares) for every 12.50 existing HLA shares held as at 7:00pm on Monday, 12 September 2022 (Entitlement Offer Record Date)

Board participation

- > All Directors of HLA, who are also shareholders, have indicated they will participate in the Entitlement Offer:
 - Glen Richards (partial participation), for 510,205 New Shares
 - Paul Wilson (full participation), for 139,046 New Shares
 - Lisa Dalton (full participation), for 3,461 New Shares
 - Lisa Roach (partial participation), for 40,817 New Shares
 - Colin Kangisser (partial participation) for 68,028 New Shares
 - Wesley Coote (partial participation) for 40,817 New Shares
 - Darren Stewart (partial participation) for 20,409 New Shares

Ranking of new shares

- > New Shares will rank equally with existing HLA shares on issue

EQUITY RAISING TIMETABLE

Event	Date
Announcement of the Entitlement Offer	Thursday, 8 September 2022
Entitlement Offer Record Date (7:00pm)	Monday, 12 September 2022
Institutional Entitlement Offer	
Institutional Entitlement Offer opens	Thursday, 8 September 2022
Institutional Entitlement Offer closes (5:00pm)	Friday, 9 September 2022
Announcement of results of Institutional Entitlement Offer	Monday, 12 September 2022
Shares recommence trading	Monday, 12 September 2022
Settlement of New Shares issued under the Institutional Entitlement Offer	Thursday, 15 September 2022
Issue of New Shares under the Institutional Entitlement Offer	Friday, 16 September 2022
Commence of trading of New Shares under the Institutional Entitlement Offer	Monday, 19 September 2022
Retail Entitlement Offer	
Retail offer booklet despatched to Eligible Retail Shareholders and Retail Entitlement Offer opens	Thursday, 15 September 2022
Retail Entitlement Offer closes (5:00pm)	Friday, 30 September 2022
Announcement of results of Retail Entitlement Offer	Wednesday, 5 October 2022
Settlement of New Shares issued under the Retail Entitlement Offer	Wednesday, 5 October 2022
Issue of New Shares under the Retail Entitlement Offer	Friday, 7 October 2022
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Monday, 10 October 2022
Holding statements in respect of New Shares issued under the Retail Entitlement Offer despatched	Monday, 10 October 2022

The timetable (and each reference in this presentation to a date specified in the timetable) is indicative only and HLA may, at its discretion, vary any of the above dates by lodging a revised timetable with the ASX. All times referred to in this presentation are Sydney time.

GLOSSARY (1/3)

Term	Definition
Clinic Class Shares	Clinic Class Shares are non-voting shares which 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 Healthia shareholders.
EBITDA(u)	Underlying EBITDA reflects statutory EBITDA as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Consolidated Entity, in accordance with AICD/Finsia principles of recording underlying profit. EBITDA(u) is presented on a pre-AASB16 basis. Underlying EBITDA has not been audited.
Eligible Institutional Shareholder	A Shareholder as at the Entitlement Offer Record Date who is an Institutional Investor who the Underwriter determines in consultation with the Company may receive (and in fact receives) an offer on behalf of the Company under the Institutional Entitlement Offer (including where the offer is made to a person for whom the Institutional Shareholder holds Shares) and who is not an Ineligible Institutional Shareholder.
Eligible Retail Shareholder	A Shareholder at the Entitlement Offer Record Date who: > is a registered holder of Shares; > has a registered address in Australia or New Zealand or is a Shareholder that the Company has otherwise determined is eligible to participate in the Retail Entitlement Offer; > is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder; > is not in the United States and is not acting for the account or benefit of a person in the United States; and > is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus any other disclosure document to be lodged or registered.
Entitlement Offer	The Institutional Entitlement Offer and the Retail Entitlement Offer (partly underwritten to \$10 million) to be conducted by HLA as described on page 21.
Entitlement Offer Record Date	As at 7:00pm on Monday, 12 September 2022.
FY20	Full year period ended 30 June 2020.
FY21	Full year period ended 30 June 2021.
FY22	Full year period ended 30 June 2022.
HLA or the Company	Healthia Ltd (ACN 626 087 223).

GLOSSARY (2/3)

Term	Definition
H1	Half year period ended 31 December 2021.
H2	Half year period ended 30 June 2022.
Ineligible Institutional Shareholder	A Shareholder (or beneficial holder of Shares) that is, or the person for whom it holds Shares is, an Institutional Investor and who: > either: – has a registered address outside the Permitted Jurisdictions; – the Underwriter and the Company otherwise determine will be an Ineligible Institutional Shareholder for the purposes of the Institutional Entitlement Offer; and > is not an Eligible Retail Shareholder.
Ineligible Retail Shareholder	A Shareholder who is not: > an Eligible Retail Shareholder; > an Eligible Institutional Shareholder; or > an Ineligible Institutional Shareholder.
Institutional Investor	A person whom the Underwriter reasonably believes to be a person to whom offers and issues of New Shares may be made: > if the person is in Australia, without the need for disclosure under Part 6D.2 of the Corporations Act because of the operation of sections 708(8) to 708(12) (inclusive); or > Outside Australia, in any other Permitted Jurisdiction other than Australia, lawfully without the need for a lodged prospectus or other disclosure document or other lodgement, registration, approval or filing with a government agency in accordance with the laws of that particular foreign jurisdiction (other than one with which the Company is willing to comply).
Institutional Entitlement Offer	The 1 for 12.5 pro rata non-renounceable entitlement offer of new fully paid ordinary shares in HLA to Eligible Institutional Shareholders as described on page 21.
IPO	Healthia's Initial Public Offering on 11 September 2018.
New Shares	The new shares to be issued pursuant to the Offer.

GLOSSARY (3/3)

Term	Definition
NZ	The country of New Zealand.
Permitted Jurisdictions	Australia, New Zealand, Germany, Hong Kong, Singapore and the United Kingdom or any other jurisdiction agreed between the Company and the Underwriter.
Retail Entitlement Offer	The 1 for 12.5 pro rata non-renounceable entitlement offer of new fully paid ordinary shares in HLA to Eligible Retail Shareholders as described on page 21.
Revenue(u)	Underlying Revenue reflects statutory revenue as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Consolidated Entity, in accordance with AICD/Finsia principles of recording underlying results and includes adjustments for the impacts from COVID-19 for the Consolidated Entity. Underlying revenue has not been audited.
Same Clinic Growth	Same Clinic growth represents revenue growth which has been calculated by excluding any closed businesses and businesses not held during the prior period.
Syndicated Facility Agreement	The syndicated finance facility agreement of \$100m between HLA and the Australian and New Zealand Banking Group, National Australia Bank and the Bank of Queensland including any variation to that agreement.
Underwriter	Canaccord Genuity (Australia) Limited (ACN 075 071 466).



4. Appendices





A. Risks



RISKS (1/4)

Prior to deciding whether to apply for New Shares under the Entitlement Offer, you should read this presentation and the Entitlement Offer booklet (as applicable) in their entirety and review all announcements made to the ASX and other information available on HLA's website in order to gain an understanding of HLA, its activities, operations, financial position and prospects. You should be aware that there are risks associated with an investment in HLA. These can be categorised as specific risks (that is, matters that relate directly to HLA's business) and general risks (those that relate to the industries in which HLA operates in general). Many of these risks are outside the control of HLA and cannot be mitigated by the use of safeguards or any controls. The New Shares carry no guarantee in respect of profitability, return of capital or the price at which they will trade on ASX. An investment in HLA is speculative. The following is not an exhaustive summary but identifies the areas the Board of Directors of HLA regards as the major risks related to an investment in HLA.

Dilution	Entitlement rights cannot be traded on ASX or otherwise transferred. If you do not participate in the Offer, or do not take up all of your entitlements to acquire New Shares under the Offer, your percentage shareholding in shares will be diluted.
COVID-19	HLA is currently monitoring the actual and potential impact of COVID-19 on its business and the broader economy. However, given the high degree of uncertainty surrounding the extent and duration of government and regulatory responses to COVID-19, it is not currently possible to accurately assess the full impact of COVID-19 on HLA's business. In Australia, measures have been introduced, and may be further extended, to control the spread of the COVID-19 outbreak, including prolonged periods of social distancing, travel and trade restrictions, restrictions on public gatherings and business closures, which may directly or indirectly impact on HLA's business. There is a risk that the economic consequences of COVID-19 could become more severe and far reaching across the economy, leading to a more widespread downturn in business and economic activity. This would likely result in a significant loss of revenue for many businesses across a wide range of industry sectors, in turn potentially leading to further increased unemployment and decline in wealth and income. HLA's financial position, performance and prospects would be significantly impacted in such a scenario. Some of HLA's assets and liabilities comprise financial instruments that are carried at fair value, with changes in fair value recognised in HLA's income statement. Market declines or weakened trading conditions could negatively impact the value of such financial instruments (including the impairment of goodwill).
Financial Disclosure	At the time of releasing this Investor Presentation, HLA has released its Appendix 4E unaudited financial report. HLA is required to lodge its audited annual report by 30 September 2022. There is a risk that there may be material movements in HLA's financial position or performance for FY22 or that there may be a qualified audit opinion or emphasis of matter.
Financing risk	HLA intends to rely on a combination of funding options including equity, Clinic Class Shares, seller deferred consideration and debt to finance its operations and future acquisitions. An inability to raise capital (through the issue of Shares and Clinic Class Shares) or secure funding or drawdown on finance facilities or subsequently refinance current debt facility, or any increase in the cost of such funding, may adversely impact the performance and financial position of HLA. HLA is currently in discussions with its banking syndicate to amend its finance facility to provide further flexibility. There is no guarantee the banking syndicate will agree to these changes in which case this may limit HLA's ability to make acquisitions of scale. Further, changes in interest rates will impact the costs of HLA's debt funding with a majority of its bank borrowings at variable interest rates.
Banking covenants	Failure to meet financial covenants under HLA's finance facilities, and the occurrence of other specified events (including goodwill being impaired by 5% or more or certain changes in key personnel occurring), may lead to an event of default or review event under the finance facilities. From time to time, HLA seeks waivers of various aspects of its facility agreements including financial covenants. HLA is in negotiations to amend its facility agreement in order to limit the requirement to seek waivers in the future. There is no guarantee that waivers sought will be granted by the banking syndicate in which case there is a risk that HLA will breach its finance facilities. If an event of default or a review event applicable to any given facility occurs, there may be a requirement to make repayments in advance of the relevant maturity dates and/or termination of the facility. An event of default or review event and the requirement to make early repayments and/or the termination of the facility may impact on the financial performance and position of HLA and its ability to operate in the ordinary course of business.
Future acquisitions	HLA's growth strategy includes the acquisition and integration of complimentary allied health businesses. There is a risk that HLA may be unable to identify and/or execute suitable opportunities, and a failure to do so could have an adverse impact on the value of HLA and its Shares. Any further acquisitions will also expose HLA to the risks commonly associated with making business acquisitions. Further, new businesses may not perform in line with expectations and could be impacted if sufficient due diligence is not performed and/or if the acquired businesses are not integrated effectively. HLA's directors and management will continue to be disciplined in executing its growth strategy taking into consideration current trading conditions. There is no guarantee that any newly acquired businesses will perform to expectations.
Security or Privacy of Data	Failures or breaches of data protection and systems security can cause reputational damage, regulatory impositions and financial loss. The legal and regulatory environment surrounding information security and privacy is increasingly complex and demanding. Australian Privacy Principles govern privacy and data protection throughout Australia and significantly enhance privacy and data protection regulation. The protection of patients/customers, employee, third party and company data is critical to HLA's operations. HLA retains a significant amount of patient/customer, employee and third party information, including through its practice management software databases. patients, customers, employees and third parties will also have high expectations that HLA will adequately protect their personal information.

RISKS (2/4)

Future Payment of Dividends	The payment of dividends on HLA shares is dependent on a range of factors including the profitability of the Group, the availability of cash, capital requirements of the business and obligations under debt instruments. Any future dividend levels will be determined by the HLA board having regard to its operating results and financial position at the relevant time and there is no guarantee that any dividend will be paid by HLA or, if paid, that they will be paid or franked.
Inability to successfully execute growth strategies	The future financial performance of HLA is contingent on its ability to execute its growth strategies. Consistent with HLA's announced long-term strategy of pursuing growth through accretive acquisitions, HLA discusses potential opportunities for investments on a regular basis. HLA shareholders should note that there is no guarantee that such a strategy will be successful and that acquisition transactions undertaken by HLA involve inherent risks, including: i. accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquired businesses; ii. integration risks including the risk that integration could take longer or cost more than expected or that the anticipated benefits and synergies of the integration may be less than estimated; iii. diversion of management attention from existing business; iv. potential loss of key personnel; and v. decline in the value of, and unanticipated costs, problems or liabilities associated with, the acquired business. Any of these risks could result in a failure to realise the benefits anticipated to result from any acquisition of new business and could have a material adverse impact on the HLA's financial position. Apart from acquisitions and divestments, the key strategies of HLA, as previously disclosed to the market, include: i. organic growth activities including the co-location of the various allied health products and services offered by the Group in one location, the introduction of additional services into the allied health business, targeted marketing and patient/customer retention strategies, cross referrals and other patient/customer engagement strategies; ii. the roll out of additional multi-discipline allied health centres and optometry stores; iii. the expansion of iOrthotics 3D orthotics printing to the United States of America; and iv. expanding the vertically integrated services provided by HLA such as the orthotics manufacturing laboratory, optical eyewear supplier and podiatry wholesale supplier. These are material strategies and a failure of part or all of those strategies may materially impact on HLA's financial position, performance and prospects.
Development and maintenance of reputation and brand	HLA's success will depend on the maintenance of its reputation and brands. HLA's reputation and brands may be affected by factors within and outside of its control, including actions of staff and Clinicians, and the experience and actions of patients/customers. In particular, while Clinicians are contractually responsible for the manner in which they provide clinical services to patients/customers, any clinical incidents could affect the reputation of, and result in potential liability for HLA (including vicarious liability or where the Group or its employees have contributed to harm). Any issues or events in relation to individual clinics could also have the potential to impact the reputation and brands of HLA, which may affect future growth and profitability.
Foreign Exchange Risk	Healthia operates an orthotics manufacturing lab in the United States of America. Furthermore, products for the podiatry wholesale business (DBS) and optical eyewear distributor (AED) businesses are purchased from overseas suppliers. The value of asset, liability, commitments or earnings held or transacted in foreign currency may be impacted by changes in currency exchange rates.
Governance	The HLA Group has structures in place to manage governance issues such as conflicts of interest, board independence, appropriate audit and review, among others. If these are inadequate, it may not meet its legal, compliance and regulatory responsibilities, and the expectations the community has of a listed company.
Retention of Clinicians	HLA's earnings are reliant on employing qualified Podiatrists, Physiotherapists, Optometrists and other registered allied health professionals (collectively know as Clinicians). HLA's performance will be influenced both by its ability to attract and retain, and by the efforts and actions of, its Clinicians. Under HLA's business model, it has limited control over the actions of Clinicians. Furthermore, under the terms of HLA's standard employment agreement, Clinicians can generally terminate their employment agreement without cause, subject to the provision of an agreed period of written notice. If a significant number of Clinicians ceased their employment with HLA, and HLA were unable to adequately replace these Clinicians, this could have a material detrimental impact on the HLA's ability to generate revenue, its ability to deliver on its business strategy, and its future financial performance.

RISKS (3/4)

Availability of Clinicians and quality staff	HLA requires access to high quality Clinical staff in order to deliver product and services to derive revenue. An inability to attract and retain high quality staff may adversely impact on the financial performance of HLA.
Competition	There is a risk that increased competition from existing and new industry participants may impact HLA's revenue and profits. Healthia may also face competition from other participants in the acquisition of allied health clinics. This competition may increase the price that HLA must pay in order to secure the acquisition of new allied health clinics or limit the allied health clinics that HLA can acquire. HLA, and its revenue, is also affected by competition between individual allied health clinics operating within the same trade area of any of the HLA allied health clinics. Competition may relate to factors such as price, responsiveness, range of product and services available and quality of service. Patients/customers are generally able to change allied health clinics at will, including in response to competitive pressures. The actions of existing and new competitors could, among other things, affect the growth of the HLA brands, result in a decline in the number of patients/customers that visit the HLA businesses and/or result in HLA experiencing lower than anticipated revenue and earnings.
Private healthcare insurance coverage and membership	Material reductions in private health insurance coverage, composition of policy coverage and/or decreases in membership rates could impact total expenditure in the allied health industries which HLA operates in. If private health insurance membership, or the insured amounts, reduce, then this could potentially impact demand for HLA's products and services and put downward pressure on fees charged to patients/customers. This could negatively impact HLA's revenues and financial performance, as the revenue generated by the stores may decrease.
Renewal of lease agreements	The HLA allied health clinics operate from leased and sub-leased premises. The leases and sub-leases have different legal terms, expiry dates and renewal options. There is a risk that one or more of these leases or sub-leases may not be renewed on terms acceptable to HLA. If this were to occur it may result in HLA ceasing operations from the premises. This could adversely impact HLA's business, operating results and financial position while the allied health clinic in question seeks alternative premises to relocate to.
Technology risks	HLA intends to use a consistent information communications technology and systems across the Combine Group. The technology will be critical in managing employees, Clinicians, patients/customers and reporting requirements. Any significant interruption to these systems could adversely impact HLA's business, operating results and financial position. HLA will rely on a number of other third-party software and hardware providers to assist with the running of the Combined Group. There is a risk that the third-party software provider may not be able to continue to provide HLA with these services. Any significant interruption to the use of software and hardware provided by these third parties could adversely impact HLA's business, operating results and financial position.
General Share Investment Risk	There are various risks associated with investing in any form of business and with investing in listed entities generally. The value of HLA shares following the Entitlement Offer will depend on general share market and economic conditions as well as the specific performance of HLA. There is no guarantee of profitability, dividends, return of capital, or the price at which HLA shares will trade on the ASX. The past performance of HLA shares is not necessarily an indication as to future performance as the trading price of HLA shares can go down or up in value..
General Economic and Political Conditions	Factors such as, but not limited to, domestic political changes (including policy responses to COVID-19), interest rates, exchange rates, inflation levels, commodity prices, industrial disruption, environmental impacts, international competition, taxation changes, changes in employment levels, consumer and business spending, employment rates and labour costs may all have an adverse impact on HLA's revenues, operating costs, profit margins and share price. These factors are beyond the control of HLA and its board and HLA cannot, to any degree of certainty, predict how they will impact on HLA.
General Regulatory Risk	HLA is subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example, ASX and ASIC). The relevant regulatory regimes are complex and are subject to change over time, depending on changes in the laws and the policies of the governments and regulatory authorities. HLA is exposed to the risk of changes to applicable laws and/or the interpretation of existing laws, which may have a negative effect on HLA, or the risks associated with non-compliance with these laws (including reporting or other legal obligations). Non-compliance may result in financial penalties being levied against HLA.
Share Market Conditions	As HLA is a listed company, the price at which its shares trade will be subject to the numerous influences that may affect both the broad trend in the share market and the share prices of individual companies and sectors. Investors should recognise that the price of New Shares may fall as well as rise.
Operational and Controls Risks	Operational risk relates to the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events which impact on HLA's business. HLA is exposed to operational risk present in the current business including risks arising from process error, fraud, system failure, failure of security and physical protection systems. Operational risk has the potential to have an effect on HLA's financial performance and position as well as reputation.

RISKS (4/4)

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Capital Availability	Current economic conditions can impact on the availability of debt and equity funding that may be required to support the growth strategies of HLA, including the acquisition of additional allied health clinics. HLA's growth may be affected by availability of funding which would impact on its ability to acquire allied health clinics in the expected time frame and/or at expected levels.
Taxation	Future changes in taxation law in Australia including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may impact the future tax liabilities of HLA or may affect taxation treatment of an investment in HLA shares, or the holding or disposal of those shares.
Accounting Standards	HLA prepares its general purpose financial statements in accordance with IFRS and with the Corporations Act. Australian Accounting Standards are not within the control of HLA or its board and are subject to amendment from time to time, and any such changes may impact on HLA's statement of financial position or statement of financial performance. Preparation of HLA's financial statements requires management to make estimates and assumptions and to exercise judgement in applying relevant accounting policies, each of which may directly impact the reported amounts of assets, liabilities, income and expenses. A higher degree of judgement is required for the estimates used in the calculation of provisions, the valuation of goodwill and intangible assets and the fair value of financial instruments. Changes in the methodology or assumptions on which the assessment of goodwill and intangible balances is based, together with expected changes in future cash flows, could result in the potential write-off of a part of or all of that goodwill or intangible balances. If the judgements, estimates and assumptions used by HLA in preparing financial statements are subsequently found to be incorrect, there could be a significant loss to HLA beyond that anticipated or provided for, which may adversely impact HLA's reputation and financial performance and position.
Force Majeure Events	Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of HLA and the price of the HLA shares. These events include but are not limited to terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease and biosecurity threats such as COVID-19 or other man-made or natural events or occurrences that can have an adverse effect on the demand for HLA's services.
Insurance	HLA holds insurance policies, including professional indemnity, public and products liability and Directors and officers insurance, which HLA regards as commensurate with industry standards, and adequate having regard to its business activities. These policies provide a degree of protection for HLA's assets, liabilities, officers and employees. However, no assurance can be given that any insurance that HLA currently maintains will: i. be available in the future on a commercially reasonable basis; or ii. provide adequate cover against claims made against or by HLA, noting that there are some risks that are uninsurable (e.g. nuclear, chemical or biological incidents) or risks where the insurance coverage is reduced (e.g. cyclone, earthquake, flood, fire). HLA also faces risks associated with the financial strength of its insurers to meet indemnity obligations when called upon which could have an adverse effect on earnings. If HLA incurs uninsured losses or liabilities, its assets, profits and prospects may be adversely affected.

B. International Entitlement Offer Restrictions



INTERNATIONAL ENTITLEMENT OFFER RESTRICTIONS (1/2)

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in Germany is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- > is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- > meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- > is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- > is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- > is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

INTERNATIONAL ENTITLEMENT OFFER RESTRICTIONS (2/2)

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

C. Summary of Underwriting Agreement



UNDERWRITING AGREEMENT – SUMMARY OF KEY TERMS (1/4)

Underwriter	Canaccord Genuity (Australia) Limited (ACN 075 071 466) (Underwriter) has agreed to partly underwrite the Offer up to \$10 million, subject to the terms and conditions of that agreement (Underwriting Agreement). The underwriter is appointed as the sole bookrunner and lead manager of the Entitlement Offer and any shortfall placement, and sole underwriter of the Entitlement Offer.
Underwriter Obligations	The Underwriter's obligations under the Underwriting Agreement, including to manage and underwrite the Entitlement Offer, are conditional on certain matters, including HLA releasing to ASX an announcement that discloses the Entitlement Offer, HLA providing executed due diligence materials to the Underwriter before the Entitlement Offer is announced, the provision of certain certificates and sign-offs to the Underwriter, and the provision of certain foreign securities law opinions and, in the relation to the Retail Entitlement Offer, the issue of the Shares under the Institutional Entitlement Offer, the provision of certain certificates and sign-offs to the Underwriter, and the dispatch of the Retail Offer Booklet.
Termination Events	If certain events occur, some of which are beyond the Company's control, the Underwriter may terminate the Underwriting Agreement. The events which may allow termination of the Underwriting Agreement include the following: > a statement contained in the Entitlement Offer materials is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive, or the Offer materials omit any information they are required to contain (having regard to section 708AA of the Corporations Act and any other applicable requirements), or the issue or distribution of any Offer materials, or the conduct of the Offer, is misleading or deceptive or likely to mislead to deceive; > an obligation arises on the Company to give ASX a notice in accordance with sections 708AA(10) or 708AA(12) of the Corporations Act; > the Company amends any of the Entitlement Offer materials without the prior written consent of the Underwriter; > any government agency commences, or gives notice of or conveys an intention to commence, any investigation, proceedings or hearing in relation to the Entitlement Offer or the Entitlement Offer materials or prosecutes or commences proceedings against, or gives notice of an intention to prosecute or commence proceedings against, the Company, including under Part 9.5 of the Corporations Act and Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) and such action becomes public or is not withdrawn within 2 Business Days after it is made or, where it is made less than one Business Day before the date for settlement of New Shares issued under the Institutional Entitlement Offer (First Settlement Date) or the date for settlement of New Shares to be issued under the Retail Entitlement Offer (Second Settlement Date), it has not been withdrawn before the First Settlement Date or Second Settlement Date (as the case may be); > ASX announces that the Company will be removed from the official list or that the Shares will be removed from official quotation or suspended from quotation by ASX for two or more than two trading days for any reason other than a trading halt in connection with the Entitlement Offer; > approval (subject only to customary conditions) is refused or not granted to the official quotation of all the New Shares to be issued under the Entitlement Offer on ASX, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; > any event specified in the timetable is delayed for one or more Business Day without the prior written approval of the Underwriter; > the Company withdraws the Entitlement Offer, or indicates in writing to the Underwriter that it does not intend to, or is unable to proceed with, the Entitlement Offer; > Subject to a delay referred to above, the Company is prevented from issuing the New Shares to be issued under the Entitlement Offer within the times required by the Timetable, the ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency; > any certificate which is required to be furnished by the Company under this agreement is not furnished when required;

UNDERWRITING AGREEMENT – SUMMARY OF KEY TERMS (2/4)

Termination Events (continued)

- > either there is a breach of a representation or warranty or other obligation under the Finance Facility, or the parties to it vary, alter, rescind or amend the Finance Facility without the prior consent of the Underwriter (not to be unreasonably withheld or delayed), which breach or variation has or is likely to have in the opinion of the Underwriter (acting reasonably) a Material Adverse Effect (as defined below) or the Finance Facility is terminated or rescinded;
- > (*) a statement in any certificate is false, misleading, deceptive, untrue or incorrect;
- > (*) a representation, warranty or undertaking or obligation contained in the Underwriting Agreement on the part of the Company is breached or is or becomes misleading or deceptive or not true or correct;
- > (*) the Company fails to perform or observe any of its obligations under the Underwriting Agreement;
- > (*) the due diligence committee report or any information supplied by or on behalf of the Company to the Underwriter for the purposes of the due diligence investigations, the Entitlement Offer materials or the Entitlement Offer, is or becomes false, misleading or deceptive or is likely to mislead or deceive (including by omission);
- > a Material Adverse Effect (as defined below) occurs;
- > the Company is insolvent, or there is an act or omission, or circumstance that arises, which is likely to result in the Company becoming insolvent or a group member (other than the Company) is insolvent, or there is an act or omission, or circumstance that arises, which is likely to result in a group member (other than the Company) becoming insolvent, where such insolvency of the group member (other than the Company) would have a Material Adverse Effect;
- > (*) either the Company contravenes in connection with the Entitlement Offer any provision of the Corporations Act, its Constitution, any of the ASX Listing Rules or any other applicable law or any of the Entitlement Offer materials or any aspect of the Entitlement Offer does not comply with the Corporations Act or the ASX Listing Rules or any other applicable law;
- > the Company, any of its Directors or the Chief Executive Officer or Chief Financial Officer of the Company is charged in relation to any fraudulent conduct or activity whether or not in connection with the Entitlement Offer, or a Director or the Chief Executive Officer or Chief Financial Officer is charged with an indictable offence, save as publicly disclosed before the date of the Underwriting Agreement, any government agency charges or commences any court proceedings or public action against the Company or any of its Directors in their capacity as a Director of the Company, or announces that it intends to take action, or commences or gives notice of an intention to commence a hearing or investigation into the Company or any Director is disqualified from managing a corporation under the Corporations Act, or resignation or termination of the Chief Executive Officer, Chief Financial Officer, Senior Management or the Chairman of the Company occurs;
- > (*) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, or any State or Territory of Australia, a new law or regulation, or the Reserve Bank of Australia or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement) in response to COVID19 (or other novel coronavirus) which results in the forced closure of clinics of the type operated by the Company.

UNDERWRITING AGREEMENT – SUMMARY OF KEY TERMS (3/4)

Termination Events (continued)

- > (*) any of the following occur:
 - a general moratorium on commercial banking activities in Australia, New Zealand, Singapore, Hong Kong, the United States, Germany or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
 - any adverse effect on the financial markets in Australia, New Zealand, Singapore, Hong Kong, the United Kingdom, Germany or the United States, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
 - trading of all securities quoted on ASX, London Stock Exchange, Hong Kong Stock Exchange, Singapore Stock Exchange, Frankfurt Stock Exchange or New York Stock Exchange is suspended or limited in a material respect for one day (or a substantial part of one day) on which that exchange is open for trading, or a Level 3 'marketwide circuit breaker' is implemented by the New York Stock Exchange upon a 20% decrease against the prior day's closing price of the S&P 500 Index only;
- > (*) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United States of America, United Kingdom, any member state of the European Union, Japan, Hong Kong (excluding a recurrence of the recent hostilities, but including any escalation of those recent hostilities, through any military deployment by the People's Republic of China or otherwise), or the People's Republic of China, or a major terrorist act is perpetrated on any of those countries or a state of emergency is declared by any of those countries (other than relating to COVID19 or as already declared prior to the date of the Underwriting Agreement) or a major escalation occurs in relation to a previously declared state of emergency (other than relating to COVID19) by any of those countries, or a major terrorist act is perpetrated on any of those countries or any diplomatic establishment of any of those countries;
- > (*) in respect of the existing hostilities in Ukraine: a nuclear incident occurs; Russia formally commences military operations against another country; or another country (other than Ukraine) formally commences military operations against Russia;
- > at any time the S&P/ASX 300 Index falls to a level that is 85% or less of the level as at the close of trading on the day immediately prior to the date of this agreement and is at or below that level at the close of trading:
 - for two consecutive Business Days during any time after the date of the Underwriting Agreement; or
 - on the Business Day immediately prior to either the First Settlement Date or the Second Settlement Date, whichever is shorter.

If a termination event marked with an asterisk (*) occurs, the Underwriter may not terminate the Underwriting Agreement unless it has reasonable grounds to believe, and does believe, that the event:

- > has or is likely to have a materially adverse effect on the success, settlement or marketing of the Entitlement Offer (or any aspect of it), or on the ability of the Underwriter to market or promote or settle the Entitlement Offer (or any aspect of it);
- > will, or is likely to, give rise to a liability of the Underwriter or its affiliates under, or give rise to, or result in, a contravention by the Underwriter or its affiliates or the Underwriter or its affiliates being involved in a contravention of, any applicable law.

Material Adverse Effect

A material adverse change or effect, or any development involving a prospective material adverse change or effect, in or affecting the business, operations, assets, liabilities, financial position or performance, profits, losses, prospects or results of operations of the group (taken as a whole)

UNDERWRITING AGREEMENT – SUMMARY OF KEY TERMS (4/4)

Effect of Termination	In the event that the Underwriter terminates its obligations under the underwriting agreement, the Underwriter will be immediately relieved of its further obligations under this agreement, but the termination of its obligations under this agreement will not limit or prevent the exercise of any other rights or remedies that any of the parties may otherwise have under this agreement. Any rights or entitlements of the Company, the Underwriter or certain indemnified persons accrued up to the date of termination also survive termination.
Warranties and undertakings	The Company also gives certain representations, warranties and undertakings to the Underwriter and an indemnity to the Underwriter and its affiliates subject to certain exceptions.
Partial Underwriting to \$10m	The Underwriter has agreed to partly underwrite the Entitlement Offer, to \$10 million only.
Fees	The fees paid to the Underwriter are as follows: > a management and selling fee of 0.8% of the underwritten amount of the Entitlement Offer; and > an underwriting fee of 3.2% of the underwritten amount of the Entitlement Offer; and A management fee of 0.8% and a selling fee of 3.2% of the proceeds of any placement of the non-underwritten shortfall that is placed by the Underwriter.
Shortfall	The Directors of the Company reserve the right to issue any shortfall (including any excess shortfall which is not underwritten) under the Entitlement Offer at their discretion. Any shortfall in relation to the Entitlement Offer may, subject to the terms of the Underwriting Agreement, be allocated to the Underwriter or to third party investors as directed by the Underwriter (in the case of any underwritten shortfall for the Institutional Entitlement Offer, in consultation with, and having reasonable regard to the views of, the Company and in the case of the Retail Entitlement Offer by agreement having regard to the allocation policy set out in the Retail Offer Booklet). Subject to the Underwriting Agreement, the basis of allocation any shortfall will be determined by the Directors of the Company at their discretion, taking into account whether investors are existing shareholders, the Company's register and any potential control impacts.