



Announcement Summary

Entity name

HEALTHIA LIMITED

Announcement Type

New announcement

Date of this announcement

19/11/2021

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
New code to be confirmed	PERFORMANCE RIGHTS - NEW	935,000

Proposed +issue date

19/11/2021

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

HEALTHIA LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ABN

Registration Number

85626087223

1.3 ASX issuer code

HLA

1.4 The announcement is

New announcement

1.5 Date of this announcement

19/11/2021

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis? Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	20/11/2019	<input checked="" type="checkbox"/> Actual	Yes

Comments

Issue of performance rights to key executives and senior management pursuant to the Company's Performance Rights Plan was approved by shareholders at the Annual General Meeting on 20 November 2019.

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

 Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

 No

Details of +securities proposed to be issued

ASX +security code and description

HLAAA : PERFORMANCE RIGHTS

Number of +securities proposed to be issued

935,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

 No



Please describe the consideration being provided for the +securities

Performance Rights form part of key executives and senior management remuneration and are issued for nil consideration.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

No

If some of the issued +securities do not rank equally

Is the actual date from which the +securities will rank equally (non-ranking end date) known?

Yes

Provide the actual non-ranking end date

31/12/2024

Please state the extent to which the +securities do not rank equally:

- In relation to the next dividend, distribution or interest payment; or
- For any other reason

The performance rights do not rank equally with existing ordinary shares quoted. Prior to vesting, the performance rights do not carry a right to vote or receive dividends.

Where shares are issued upon the vesting and exercise of the performance rights, those shares will rank equally with existing ordinary shares of Healthia Limited.

To participate in a dividend, the ordinary shares must be issued prior to the record date for the dividend

Part 7C - Timetable

7C.1 Proposed +issue date

19/11/2021

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

Yes

7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

20/11/2019

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

No



7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

No

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Nil

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Issue of performance rights to key executives and senior management pursuant to the Company's Performance Rights Plan, which was approved by shareholders at the Annual General Meeting on 20 November 2019.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue

Conditions and Important Dates

The vesting date for the 2021 Performance Rights will be 18 November 2024 (Vesting Date), subject to meeting the Vesting Conditions and Service Conditions (set out below). The 2021 Performance Rights will expire on 31 December 2024, if not exercised, lapsed or forfeited earlier.

Vesting Conditions

Tranche 1

655,000 of the 2021 Performance Rights (Tranche 1 Performance Rights) which will vest in accordance with the Performance Rights Plan Rules is dependent on, and subject to, satisfaction of the following conditions:

(a) Service Condition

The Tranche 1 Performance Rights will be exercisable upon satisfaction of the Service Condition, being continuous employment with the Company from the Grant Date until the Vesting Date.

(b) EPS Growth Condition

The Company's compounding annual growth in underlying Earnings Per Share (underlying EPS) for the period from 1 July



2021 to 30 June 2024 must be greater than 10% per annum. The underlying EPS results to be used will be the Basic EPS recorded in the Company's audited financial statements in the relevant year, adjusted for one-off and non-recurring items and the amortisation of customer lists, as determined by the Board in its discretion.

50% of the Tranche 1 Performance Rights will be exercisable if conditions (a) and (b) are both satisfied.

(c) Total Shareholder Return condition

Total Shareholder Return (TSR) to exceed 150% for the period from 1 July 2021 to 30 June 2024, with TSR calculated as follows:

$$\text{TSR} = (\text{Price End} - \text{Price Begin} + \text{Dividends}) / \text{Price Begin}$$

Where:

Price Begin = \$1.80;

Price End = share price as at 30 June 2024; and

Dividends = total dividends paid per share during the period from 1 July 2021 to 30 June 2024.

50% of the Tranche 1 Performance Rights will be exercisable if conditions (a) and (c) are both satisfied.

Tranche 2

280,000 of the 2021 Performance Rights (Tranche 2 Performance Rights) which will vest in accordance with the Performance Rights Plan Rules is dependent on, and subject to, satisfaction of the following conditions:

(a) Service Condition

50% of the Tranche 2 Performance Rights will be exercisable upon satisfaction of the Service Condition, being continuous employment with the Company from the Grant Date until the Vesting Date.

(b) EBITDA Growth Condition

The Company's compounding annual growth in underlying earnings before interest tax depreciation and amortisation of Healthia's Eyes & Ears Division (underlying EBITDA) for the period 1 July 2021 to 30 June 2024 greater than 10% per annum.

The underlying EBITDA results to be used will be the EBITDA recorded in the Company's audited financial statements in the relevant years, adjusted for one-off and non-recurring items and the amortisation of customer lists, as determined by the Board in its discretion. Underlying EBITDA will exclude the impact of AASB16 'Leases'.

50% of the Tranche 2 Performance Rights will be exercisable if conditions (a) and (b) are both satisfied.