

nib to raise approximately \$150 million via underwritten equity placement and share purchase plan to fund NDIS Plan Management acquisitions commencing with Maple Plan

- nib launches fully underwritten ~\$135 million institutional equity placement, plus ~\$15 million non-underwritten Share Purchase Plan (SPP)
- Placement issue price to be determined via institutional bookbuild, floor price of \$6.90 is approx. 8% discount to last closing price
- As indicated previously, nib will enter NDIS as a Plan Manager. nib sees close alignment between Plan Management and its traditional role in helping people choose health cover and connect with healthcare services
- First acquisition is Maple Plan, the seventh largest Plan Manager with ~7,000 participants
- Other possible acquisitions under active consideration with target of 50,000 participants by 2025
- nib 1Q23 update¹: Group continues to perform strongly with Group net premium revenue increasing 6.5%² vs PCP

nib holdings limited (ASX: NHF) today launched a ~\$135 million fully underwritten equity placement of ordinary shares to existing and new institutional shareholders. It plans to raise a further ~\$15 million through a share purchase plan and the proceeds from the equity raising will be used to fund its entry into Australia's NDIS sector as a Plan Manager.

nib's first acquisition is Maple Plan, a Plan Manager. nib is actively assessing further acquisitions.

New shares issued through the institutional placement will be offered at a price to be determined via a bookbuild process (subject to an underwritten floor price of \$6.90, which represents an approximate discount of 8% to the last closing price as at 11 October 2022).

nib shares have been placed in a trading halt while the institutional placement is conducted. Eligible existing Australian and New Zealand shareholders will be able to purchase up to \$30,000 per shareholder under the SPP, which is not underwritten. The target for the SPP is \$15 million. nib has the discretion to determine the final amount.

nib Managing Director Mark Fitzgibbon said the capital raise follows nib's three-year exploration of opportunities in Australia's National Disability Insurance Scheme (NDIS).

"The NDIS has become a vitally important part of Australia's social capital and a significant economic sector. Already it supports 530,000 participants with more than 800,000 expected by 2030. NDIS funding is expected to double from around \$29 billion in 2022, to \$59 billion by 2030,³" Mr Fitzgibbon said.

Mr Fitzgibbon said Plan Management as well as Support Coordination are crucial elements in the NDIS. Both constitute an independent middle layer between participants and the providers of disability services that help participants design their plans and procure services. Plan Management is an increasingly popular option with more than half of all NDIS participants.

"We believe we can contribute to the success of the NDIS and improve outcomes for participants," he said.

"There is an alignment between supporting NDIS participants and our 70-year history as a private health

¹ This announcement contains nib's financial results for the quarter ended 30 September 2022. That financial information is based on management accounts and has not been subject to audit.

² Excluding adjustment for covid credit / premium giveback

³ National Disability Insurance Scheme: Annual Financial Sustainability Report 2020-21

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insurer. As a health insurer, we've essentially played the role of designing health cover to suit members' needs and then connected them with the healthcare system," he said.

Mr Fitzgibbon said the NDIS and organisations such as Maple Plan have done a fantastic job to date in supporting participants.

"However, there is opportunity for further development and nib has many relevant capabilities.

"nib has modern technologies that we hope will provide participants and Support Coordinators with even deeper insight into how participants might achieve their goals. We have long experience in procuring services, contracting with service providers and quality assurance. We have rapidly evolving digital tools to facilitate participant support and engagement. We sense the potential to better integrate healthcare with disability services. We are very focused upon measuring and improving outcomes. And nib is a trusted brand," he said.

The acquisition of Maple Plan is not material to nib's earnings per share. It will be accretive from the first full year of ownership for the allocated capital deployed⁴. The acquisition is expected to be completed by mid-November.

Mr Fitzgibbon said the acquisition forms a solid foundation for further organic and inorganic growth. Nib is targeting at least 50,000 participants by 2025 and has established a specialist team to expand its Plan Management footprint led by Martin Adlington. Mr Adlington, a member of nib's executive management team, led the acquisition and integration of GU Health and most recently was Group Chief People Officer. He will continue to report directly to Mr Fitzgibbon.

About Maple Plan

Maple Plan is one of around 1,200 known NDIS Plan Managers and is the seventh largest with about 7,000 participants and revenue of approximately \$10.4 million in FY22. Present owners Andrian Putra and Vincent Lay founded Maple Plan in 2018. It currently employs around 60 people and is based in Melbourne, Victoria.

Mr Putra believes nib will fit well with Maple Plan. "nib has an impressive reputation in the private healthcare sector. It has a firm commitment to scalable technology, helping participants with real-time budgeting and connecting them to greater choice. This gives us confidence nib will deliver good results for participants," he said.

nib Group 1Q23 trading update⁵

1Q23 Group UOP was \$64.3 million (1Q22 \$63.8m). After adjusting for the COVID-19 givebacks, revenue growth was up 6.5% on the previous corresponding period.

Mr Fitzgibbon said performance in the first quarter was pleasing, especially against an ongoing backdrop of continued COVID-19 disruptions and economic uncertainty.

"Our flagship Australian residents health insurance (arhi) business continues to benefit from heightened demand, which appears to be driven by lingering COVID-19 concerns, and difficulties in public system waiting times," Mr Fitzgibbon said. "We don't celebrate these difficulties. But they are a reality and point to a need for an even greater private sector role in healthcare.

"Our adjacent international students and workers, New Zealand and travel businesses are also doing well, with the student and travel businesses quickly recovering from the pandemic blow," he said.

⁴ Excludes one-off transaction and IT costs. Based on ~70% equity / ~30% debt funding for the allocated capital amount deployed.

⁵ The financial information has not been subject to audit.



Net policyholder growth in arhi was 9,415 for the quarter (1Q22 3,829). Claims experience remains relatively benign and nib continues to assess possible further member recompense. nib's COVID-19 support package totals \$145 million to date.

Travel performed strongly. The re-opening of borders, a surge in interest in travel and competitive products and pricing resulted in 201,081 sales compared to 44,931 in 1Q22.

nib's international inbound health insurance business also rebounded, with net policyholder growth of 4,943 in the quarter, compared to a net loss of 1,301 in 1Q22. New Zealand had policyholder growth of 2,507 for the quarter⁶

Volatile financial markets continued to impact investment returns in the first quarter of FY23 and Group 1Q23 NPAT was \$41.6m (PCP \$45.5m).

nib has also estimated the nib health funds capital position as at 30 September 2022 under the new Prudential Standard HPS 110 Capital Adequacy, announced on 27 September 2022, and due for implementation on 1 July 2023. Under the new capital standard, nib health funds is estimated to have \$147.8m in capital above minimum levels and a PCA Ratio⁷ of 1.7x.

Placement

nib has launched a fully underwritten equity placement to institutional investors to raise ~\$135 million (Placement). The issue price will be determined through a bookbuild to be completed today, subject to an underwritten floor price of \$6.90 per share, representing a discount of approximately 8% to the last close of \$7.51 on 11 October 2022.

New shares issued under the Placement will rank equally with existing shares from allotment. It is expected that nib shares will remain in a trading halt while the institutional placement is conducted until commencement of trade on 13 October 2022, or such other time that it is announced to the ASX. Settlement of new shares issued under the placement will occur on 17 October 2022, with allotment scheduled for 18 October 2022.

J.P. Morgan Securities Australia Limited is acting as lead manager, bookrunner and underwriter for the institutional placement.

Share Purchase Plan

In addition to the Placement, nib will offer all eligible existing Australian and New Zealand shareholders (including retail shareholders) the opportunity to apply for new nib shares through a SPP without brokerage fees. nib intends to raise \$15 million⁸ but retains discretion over final amount to be raised and the allocation of shares per investor. The SPP will allow eligible shareholders to apply for the maximum allowed of \$30,000 of new fully paid ordinary shares, per shareholder.

The new shares issued under the SPP will be issued at the lower of (i) the final price achieved under the institutional placement and (ii) a 2% discount to the volume weight average price of nib shares on the ASX over a five-day trading period ending on the close of the SPP offer (being 7 November 2022) (rounded down to the nearest cent). The SPP is not underwritten.

A SPP booklet containing further terms and conditions of the SPP is expected to be provided to eligible shareholders on 19 October 2022.

⁶ Excludes life and living benefits.

⁷ PCA Ratio = Capital Base / Prescribed Capital Amount as stipulated under the new HPS110

⁸ nib Board retains discretion to increase, according to demand.

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Indicative timetable*

Trading halt	12 October 2022
Placement completed and trading halt lifted	13 October 2022
Settlement of Placement	17 October 2022
Allotment and trading of new Placement shares	18 October 2022
SPP opens	19 October 2022
SPP close	7 November 2022

*Dates are indicative and subject to change.



Roslyn Toms
Company Secretary

nib is advised by Highbury Partnership and Ashurst Australia.

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This announcement has been authorised for release by Roslyn Toms, nib Company Secretary.

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Forward looking statements

This announcement contains certain forward-looking statements and comments about future events, including (but not limited to) nib's expectations about the performance of its businesses, the effect of the funds raised under the Placement and SPP on those businesses and the future performance (including potential or expected synergies) of nib and Maple post acquisition.

Forward looking statements can generally be identified by the use of forward-looking words such as "aims", "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements and include statements in this announcement regarding the conduct and outcome of the Placement and SPP, the use of proceeds and the future performance (including potential or expected synergies) of nib and Maple post acquisition.

You are strongly cautioned not to place undue reliance on any forward-looking statement, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID pandemic and geopolitical tensions such as the Russian Ukrainian War. The forward-looking statements are based on information available to nib as at the date of this announcement. Neither nib, nor any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur.

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