UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)
October 31, 2021

Commission File Number**: 001-36568**

HEALTHEQUITY, INC.

Delaware	**7389**	**52-2383166**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

15 West Scenic Pointe Drive
Suite 100
Draper, Utah 84020
(801) 727-1000
(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)) Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common stock, par value $0.0001 per share	HQY	The NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Introductory Note

This Current Report on Form 8-K is being filed in connection with (1) the completion of the transactions contemplated by that certain Amended and Restated Asset and Unit Purchase Agreement (the "Viking Purchase Agreement"), dated as of September 7, 2021, by and among HealthEquity, Inc., a Delaware corporation ("HealthEquity"), Viking Acquisition Corp., a Delaware corporation and wholly owned subsidiary of HealthEquity ("Viking"), MII Life Insurance, Incorporated d/b/a Further, a Minnesota corporation ("MII Life"), and Aware Integrated, Inc., a Minnesota nonprofit corporation ("Aware" and, together with MII Life, "Viking Sellers") and (2) an amendment to that certain Stock Purchase Agreement (the "Luum Purchase Agreement"), dated as of March 8, 2021, by and among HealthEquity, the holders of 100% of the outstanding capital stock (collectively, the "Luum Sellers") of Fort Effect Corp. d/b/a Luum, a Washington corporation ("Luum"), and Evan McCordick, solely in his capacity as representative of the Luum Sellers (the "Sellers' Representative").

Item 1.01 Entry into a Material Definitive Agreement.

For purposes of Item 1.01 and Item 2.04, Capitalized terms used and not defined shall have the meanings set forth in the Luum Purchase Agreement.

As disclosed previously, on March 8, 2021 (the "Closing Date"), HealthEquity entered into and completed certain transactions contemplated by the Luum Purchase Agreement.

Pursuant to the Luum Purchase Agreement, among other things, HealthEquity is required to pay up to $20 million in contingent payments payable during the two-year period following the Closing Date based upon certain revenue achievements attributable to Luum set forth in the Luum Purchase Agreement (the "Earn-Out Amount").

On October 31, 2021, HealthEquity and the Sellers' Representative have entered into an Amendment to the Luum Purchase Agreement (the "Amendment") for HealthEquity to make a payment of $6 million to the Luum Sellers in full and final satisfaction of HealthEquity's obligations to make payment of the Earn-Out Amount.

The foregoing description of the Amendment does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Amendment, a copy of which is filed as Exhibit 2.1 and incorporated herein by reference, and the full text of the Luum Purchase Agreement, which was filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2021.

Item 2.01 Completion of Acquisition or Disposition of Assets

For purposes of this Item 2.01 and Item 7.01, capitalized terms used and not defined shall have the meanings set forth in the Viking Purchase Agreement.

On November 1, 2021, upon the completion of the transactions contemplated by the Viking Purchase Agreement (the "Closing"), Viking paid an aggregate purchase price of $455 million (the "Purchase Price") as consideration for its acquisition (the "Acquisition") of, among other things, MII Life's and Aware's (through its wholly owned subsidiary SamCo Services, LLC ("SamCo")) business of establishing, administering and providing custodian and other related services to HSAs and other Accounts (each as defined in the Viking Purchase Agreement) (the "Spending Account Business"), excluding all cash balances and investment assets included in any voluntary employee beneficiary association account that is funding a health reimbursement arrangement (either Section 501(c)(9) trusts or Section 115 trusts), and all Contracts related exclusively thereto, which Viking will purchase upon the closing of that certain Asset Purchase Agreement, dated as of September 7, 2021, by and between HealthEquity, Viking and MII Life, which is anticipated to close on February 1, 2022. As a result of the Acquisition, Viking acquired the Spending Account Business through (a) the purchase from MII Life of certain assets and the assumption of certain liabilities related to the operation of the Spending Account Business, and (b) the acquisition from Aware of 100% of the issued and outstanding units of SamCo.

Concurrently with the Closing and the Acquisition, Viking and Stella Resources Co., Inc., a Delaware corporation and affiliate of MII Life ("Stella"), entered into a transition services agreement, pursuant to which Stella will provide to Viking certain transition, migration and separation services.

In addition, concurrently with the Closing and the Acquisition, Viking and MII Life entered into a VEBA administrative services agreement, pursuant to which Viking will provide, or cause to be provided, certain administrative, accounting and other services required of MII Life to perform reasonably consistent with past practice as designated representative or administrator of certain voluntary employee beneficiary association account contracts.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to (i) the other items of this Current Report on Form 8-K and (ii) the Viking Purchase Agreement, which is filed herewith as Exhibit 2.2 and is incorporated by reference herein.

Item 2.04 Triggering events that accelerate or increase a direct financial obligation or an obligation under an off-balance sheet arrangement.

The information set forth in Item 1.01 above is incorporated by reference herein.

Item 7.01 Regulation FD Disclosure

On November 1, 2021, HealthEquity issued a press release announcing the completion of the Closing and the Acquisition, a copy of which is attached hereto as Exhibit 99.1.

The information in Exhibit 99.1 is being furnished to the Securities and Exchange Commission and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
2.1	Amendment to Stock Purchase Agreement, dated as of October 31, 2021 between HealthEquity, Inc. and Evan McCordick as the Sellers' Representative.*
2.2	Amended and Restated Asset and Unit Purchase Agreement, dated as of September 7, 2021, by and among Viking Acquisition Corp., HealthEquity, Inc., MII Life Insurance, Incorporated d/b/a Further and Aware Integrated, Inc. (incorporated by reference to Exhibit 2.2 to the Current Report on Form 8-K of HealthEquity, Inc., filed on September 8, 2021)*
99.1	Press Release of HealthEquity, Inc., dated November 1, 2021
104	Cover Page Interactive Data File (formatted in Inline XBRL)

* Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. HealthEquity hereby undertakes to furnish supplementally copies of any of the omitted schedules upon request by the SEC.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Date: November 1, 2021

By: /s/ Tyson Murdock
Name: Tyson Murdock
Title: Executive Vice President and Chief Financial Officer

Exhibit 2.1

AMENDMENT TO STOCK PURCHASE AGREEMENT

THIS AMENDMENT TO STOCK PURCHASE AGREEMENT (this "Amendment") is entered into as of October 31, 2021 (the "Effective Date"), by and between HealthEquity, Inc., a Delaware corporation (the "Purchaser"), and Evan McCordick, acting in his capacity as the Sellers' representative (the "Sellers' Representative"). Capitalized terms used but not otherwise defined herein shall have the meanings provided in the Purchase Agreement (as defined below).

WHEREAS, the Purchaser, shareholders of Fort Effect Corp. d/b/a Luum, a Washington corporation (each, a "Seller", and collectively, the "Sellers"), and the Sellers' Representative have entered into that certain Stock Purchase Agreement, dated as of March 8, 2021 (the "Original Purchase Agreement" and as may be amended, supplemented or otherwise modified from time to time, including pursuant to this Amendment, the "Purchase Agreement");

WHEREAS, pursuant to Section 7.8 of the Purchase Agreement, the Purchase Agreement may be amended by the Sellers' Representative and the Purchaser; and

WHEREAS, the parties hereto desire to make certain amendments to the Purchase Agreement as further provided herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Earn-Out Amount. Section 2.12 of the Original Purchase Agreement is hereby amended and restated in its entirety as follows:

"Within two Business Days of the Effective Date, the Purchaser shall pay or cause to be paid an amount equal to $6,000,000 (the "Earn-Out Amount") less the deductions set forth on Schedule A in cash by wire transfer of immediately available funds to the Sellers (or their designees) and the Optionholders, in accordance with their respective Pro Rata Earn-Out Portions and equal to the amount set forth on Schedule A, which amount represents 100% of the Earn-Out Amount pursuant to the Original Purchase Agreement. Notwithstanding anything to the contrary in the Purchase Agreement, the Sellers shall have no further liability for the employer portion of any withholding, payroll, employment or similar Taxes, if any, associated with the amounts payable to the Optionholders pursuant to the foregoing sentence. Within two Business Days of the Effective Date, the Purchaser shall also pay or cause to be paid in cash by wire transfer of immediately available funds to Cyndx Advisors LLC and TangoLaw, PLLC the respective payment amounts deducted from the Earn-Out Amount and set forth on Schedule A."

2. Schedule II. Schedule II (Earn-Out) is hereby deleted in its entirety.

3. Schedule A. Schedule A of this Amendment is hereby incorporated into the Original Purchase Agreement after Schedule II.

4. Earn-Out. All references to the 'Initial Earn-Out Period', 'Initial Earn-Out Amount', 'Subsequent Earn-Out Period', 'Subsequent Earn-Out Amount' and 'Earn-Out Amount' in the Original Purchase Agreement shall be revised as set forth in this Amendment.

5. Release of the Purchaser. For and in consideration of the terms and conditions of this Amendment, the adequacy of which is hereby acknowledged, the undersigned Sellers' Representative, acting on behalf of itself and the Sellers and for their respective successors, predecessors, assigns, subsidiaries, parents, affiliates and/or related entities, as well as their respective officers, directors, employees, partners, shareholders, members and agents and/or any other successor in interest (the "Sellers' Representative Releasors"), hereby irrevocably releases, acquits and forever discharges each of the Purchaser and the Purchaser's successors, predecessors, assigns, subsidiaries, parents, affiliates and/or related entities, as well as their respective officers, directors, employees, partners, shareholders, members and agents and/or any other successor in interest (the "Purchaser Releasees") from and against any actions, causes of action or rights and any and all claims, demands and liabilities whatsoever of every name and nature, whether known or unknown, both in law and in equity, or pursuant to any statute or regulation, which undersigned Sellers' Representative or any Seller or Optionholder now has or ever had or can or may have by reason of any cause or matter relating to or arising out of the payment or non-payment of the Earn-Out Amount pursuant to the Original Purchase Agreement. The Sellers' Representative acknowledges and agrees that the Sellers' Representative has the power and authority to enter into this Amendment and give the release set forth in this Section 3 on behalf of all of the Sellers.

6. Authority. Each party represents and warrants to the other party as follows: (a) such party has full power and authority to enter into and perform this Amendment; (b) the execution, delivery, and performance of this Amendment by such party have been duly authorized by all requisite action, and this Amendment has been duly executed by such party; (c) such party has obtained any and all consents, approvals, or authorizations that are necessary for such party to enter into and perform this Amendment; (d) this Amendment constitutes the legal, valid, and binding obligation of such party and is enforceable against such party in accordance with the terms of this Amendment; and (e) the execution and delivery of this Amendment and the performance of its terms do not conflict with or result in a violation of any agreement, instrument, order, writ, judgment, or decree to which such party is a party or is subject. Without limiting the foregoing, the Sellers' Representative specifically represents and warrants to the Purchaser that it is duly authorized to enter into and perform this Amendment, without any further consent, approval, or authorization from the Sellers.

7. Enforceability. Except as expressly amended herein, the Original Purchase Agreement shall remain in full force and effect and be enforceable against the parties thereto in accordance with its terms.

8. Successors. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

9. Amendment. This Amendment may be amended, supplemented or otherwise modified only by a written instrument executed by the parties hereto.

10. Counterparts. This Amendment may be executed in one or more counterparts (including by facsimile, .pdf or other electronic method), each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

11. Governing Law. This Amendment will be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice of law or conflicting provision or rule that would cause the Laws of any jurisdiction other than the State of Delaware to be applied. In furtherance of the foregoing, Laws of the State of Delaware will control the interpretation and construction of this Amendment, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive Law of some other jurisdiction would ordinarily apply.

12. Exclusive Jurisdiction and Service of Process. Any suit, action or proceeding brought by any party hereto seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Amendment or the transactions contemplated hereby shall be brought in any court located in the County of Wilmington, Delaware, or the United States of America for the District of Delaware. Each party hereto hereby submits to the exclusive jurisdiction of any such court located in the County of Wilmington, Delaware, or the United States of America for the District of Delaware having subject matter jurisdiction in any suit, action or proceeding brought by any other party hereto seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Amendment or the transactions contemplated hereby. Each party hereto hereby irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party hereto anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party hereto hereby agrees that service of process on such party in accordance with the provisions of this Section 9 in respect of any such suit, action or proceeding shall be deemed effective service of process on such party.

13. Waiver of Jury Trial. Each of the parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Amendment or any other document.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized signatories as of the day and year first written above.

PURCHASER:

HEALTHEQUITY, INC.

By: /s/ Tyson Murdock
Name: Tyson Murdock
Title: Executive Vice President and Chief Financial Officer

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized signatories as of the day and year first written above.

SELLERS' REPRESENTATIVE:

EVAN MCCORDICK

/s/ EVAN MCCORDICK

Exhibit 99.1

HealthEquity Completes Further Acquisition

Expands HSA market share, health plan relationships and adds private label solutions

DRAPER, Utah, (GLOBE NEWSWIRE) **– November 1, 2021** - HealthEquity, Inc. (NASDAQ: HQY) ("HealthEquity"), the nation's largest health savings account ("HSA") non-bank custodian, today completed the acquisition of Further, a leading provider of HSA and consumer-directed benefit (“CDB”) administration services, and the nation’s ninth largest HSA custodian.

The acquisition of Further and its technology expands HealthEquity’s leadership in the growing HSA market and enhances its ability to drive growth with health plans and other go-to-market partners. The deal also adds to HealthEquity’s Total Solution offering—remarkable products backed by service, education and employee engagement support that go above and beyond customer expectations.

“We are excited to join forces with the Further team, who share our focus on intuitive technology and remarkable service to connect health and wealth,“ said Jon Kessler, President and CEO of HealthEquity.

Expanded HSA Leadership

HealthEquity now has approximately 6.7 million HSAs and approximately $18 billion in HSA Assets, including Further’s approximately 580,000 HSAs and $1.9 billion of HSA assets and the recently closed acquisition of the Fifth Third Bank HSA portfolio, which added 157,000 HSAs and $490 million of HSA assets. Further also brings approximately 28,000 employer clients and approximately 270,000 CDBs, not including approximately 50,000 VEBA accounts which may be acquired at a later date, to expand HealthEquity’s market leadership.

Technology-Driven Partner Growth

The Further acquisition expands HealthEquity’s commitment to independent Blue Cross Blue Shield licensees, now serving the great majority of the Blue network of 35 independent companies. HealthEquity also serves a growing network of health plan, retirement plan, benefits administration, and other go-to-market partners.

“For nearly 20 years HealthEquity has connected Health and Wealth through education, and deploying great, easy to use technology in concert with our partners. Further helps us continue that journey as we extend our position as a leading HSA custodian and expand our reach to a growing network of go-to-market partners,” said Kessler.

Financial Details

HealthEquity purchased Further for $455 million, with an additional purchase price of up to $45 million that may be payable dependent upon the closing and migration of the VEBA assets early next year. We expect Further will add more than $12 million in revenue in our fiscal year 2022 ending January 31, 2022, and less than $1 million in adjusted EBITDA based on the fourth quarter member services ramp up and costs associated with implementation of the federal vaccine mandate.

About HealthEquity

HealthEquity and its subsidiaries administers Health Savings Accounts (HSAs) and other consumer-directed benefits for our more than 13 million accounts in partnership with employers, benefits advisors, and health and retirement plan providers who share our mission to connect health and wealth and value our culture of remarkable “Purple” service. For more information, visit www.healthequity.com.

Forward-looking statements

This press release contains “forward-looking statements" within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our industry, business strategy, plans, goals and expectations concerning our markets and market position, product expansion, future operations, expenses and other results of operations, revenue, margins, profitability, future efficiencies, tax rates, capital expenditures, liquidity and capital resources and other financial and operating information. When used in this discussion, the words “may,” “believes,” “intends,” “seeks,” “anticipates,” “plans,” “estimates,” “expects,” “should,” “assumes,” “continues,” “could,” “will,” “future” and the negative of these or similar terms and phrases are intended to identify forward-looking statements in this press release.

Forward-looking statements reflect our current expectations regarding future events, results or outcomes. These expectations may or may not be realized. Although we believe the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to be correct. Some of these expectations may be based upon assumptions, data or judgments that prove to be incorrect. Actual events, results and outcomes may differ materially from our expectations due to a variety of known and unknown risks, uncertainties and other factors. Although it is not possible to identify all of these risks and factors, they include, among others, risks related to the following:

- the impact of the COVID-19 pandemic on the Company, its operations and its financial results;
- our ability to realize the anticipated financial and other benefits from combining the operations of Further with our business in an efficient and effective manner;
- our ability to compete effectively in a rapidly evolving healthcare and benefits administration industry;
- our dependence on the continued availability and benefits of tax-advantaged health savings accounts and other consumer-directed benefits;
- our ability to realize the anticipated financial and other benefits to the Company from acquiring Further;
- our ability to successfully identify, acquire and integrate additional portfolio purchases or acquisition targets;
- the significant competition we face and may face in the future, including from those with greater resources than us;
- our reliance on the availability and performance of our technology and communications systems;

- recent and potential future cybersecurity breaches of our technology and communications systems and other data interruptions, including resulting costs and liabilities, reputational damage and loss of business;
- the current uncertain healthcare environment, including changes in healthcare programs and expenditures and related regulations;
- our ability to comply with current and future privacy, healthcare, tax, investment advisor and other laws applicable to our business;
- our reliance on partners and third-party vendors for distribution and important services;
- our ability to develop and implement updated features for our technology and communications systems and successfully manage our growth;
- our ability to protect our brand and other intellectual property rights; and
- our reliance on our management team and key team members.

For a detailed discussion of these and other risk factors, please refer to the risks detailed in our filings with the Securities and Exchange Commission, including, without limitation, our most recent Annual Report on Form 10-K and subsequent periodic and current reports. Past performance is not necessarily indicative of future results. We undertake no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

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