

## ASX Release

### COMPANY UPDATE & APPENDIX 4C COMMENTRY

#### QUARTER ENDED 31 DECEMBER 2016

**Melbourne, Australia, Monday 30th January 2017: Novita Healthcare Limited (ASX: NHL)** lodges the attached Appendix 4C Quarterly Consolidated Statement of Cash Flows for the period ending 31 December 2016 along with a company update on its activities for the quarter.

#### December Quarter Highlights

- Cash reserves of \$1.5 million at 31 December 2016 including yearly R&D incentive totaling \$0.3 million.
- Net operating cash outflows for the December quarter were \$0.6m (\$0.7m previous quarter)
- The Company changed its name to Novita Healthcare Limited (previously Avexa Limited)
- Unmarketable parcel share sale facility successfully completed during December 2016 resulting in the company now having 1,374 shareholders (previously 7,471).
- TALI Train™ is in the beta testing phase at 8 child development clinics in three States across Australia.
- Monash University and TALI Health have successfully completed data collection for the research trial involving approximately 120 children from mainstream primary schools in Victoria. Data collected during this trial has been analysed and used to further enhance TALI Train™, which commercial release is currently scheduled for first half FY18.
- TALI enters early stage research and design phase in collaboration with Monash University for TALI Detect™, the next generation attention screening and assessment tool powered by the core TALI technology.
- Development and release of the company's new website [www.novitahealthcare.com.au](http://www.novitahealthcare.com.au)

#### March Quarter Plans

- Novita research team in collaboration with Monash University will conduct in-depth analysis of data obtained from the school based trial to assess the cognitive, academic and behavioural benefits of TALI Train™ for typically developing children.
- Beta testing of TALI Train™ will continue with industry leading clinics and healthcare professionals throughout Australia.
- Commercial partnerships with industry leading clinics and healthcare professionals are being established throughout Australia for the TALI Train™ commercial release currently scheduled for the latter part of 2017.

### **About Novita Healthcare Limited**

Novita Healthcare is an ASX listed Melbourne-based medical technology company with the vision of positioning itself at the forefront of innovative medical. Novita Healthcare's flagship program is the revolutionary and innovative TALI system, which uses cutting edge technology to treat and monitor cognitive problems such as attention difficulties in early childhood.

### **About TALI Health Pty Ltd (100% owned by Novita Healthcare)**

TALI Health has the exclusive global license to the TALI Technology together with the option to acquire the TALI Technology outright. TALI is seeking to position itself as the global leader in the assessment and treatment of core cognitive difficulties such as attention difficulties. TALI has a particular focus on providing tools to assist children with developmental disorders, such as autism spectrum disorder, to reach their full potential.

The TALI Technology is a result of ground-breaking research pioneered over twenty years by internationally renowned neuroscientist Professor Kim Cornish and her team at Monash University. The front end of the TALI Technology is an adaptive attention training program (accessed via a software application prescribed by healthcare professionals), delivered on a computerized tablet (or similar). The back end of the TALI Technology is a Cloud based, centralised secure data collection, analysis and report system which provides healthcare professionals with the necessary information to monitor attention and optimize treatment outcomes.

The Technology was developed by Monash University, in collaboration with game developers – Torus Games Pty Ltd, and technology commercialization experts – Grey Innovation Pty Ltd in response to the absence of non-pharmaceutical approaches by the medical industry to the treatment of children with attention difficulties, especially those with developmental disorders in modern society.

### **For more information:**

Iain Kirkwood

Executive Chairman

Mob: +61 408 473 496

Novita Healthcare: +61 3 8888 1040

Email: [novita@novitahealthcare.com.au](mailto:novita@novitahealthcare.com.au)

[www.novitahealthcare.com.au](http://www.novitahealthcare.com.au)

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

NOVITA HEALTHCARE LIMITED

**ABN**

53 108 150 750

**Quarter ended ("current quarter")**

31 December 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(369)	(678)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(21)	(33)
(d) leased assets	(10)	(14)
(e) staff costs	(120)	(247)
(f) administration and corporate costs	(81)	(131)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	303	303
1.8 Other (provide details if material)		
- GST refunds/(payments)	11	(33)
- Legal & professional	(47)	(113)
- Insurance	-	(32)
- Intellectual property	(3)	(28)
- Consulting	(14)	(17)
- Sundry	7	1
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(342)</b>	<b>(1,017)</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(2)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(2)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	2,209
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(38)	(84)
3.5 Proceeds from borrowings	-	100
3.6 Repayment of borrowings	(100)	(100)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(138)</b>	<b>2,125</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,974	388
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(342)	(1,017)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(138)	2,125
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>1,494</b>	<b>1,494</b>

<b>5. Reconciliation of cash and cash equivalents</b>		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	395	1,489
5.2	Call deposits	1,099	485
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,494</b>	<b>1,974</b>

**6. Payments to directors of the entity and their associates**

- |     |  | <b>Current quarter<br/>\$A'000</b> |
|-----|--|------------------------------------|
| 6.1 | Aggregate amount of payments to these parties included in item 1.2                                   | 552                                |
| 6.2 | Aggregate amount of cash flow from loans to these parties included in item 2.3                       | -                                  |
| 6.3 | Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 |                                    |

- Year to date cash payments for Staff Costs include director fees \$62k.
- Year to date cash payments for Research & Development include \$490k paid to Grey Innovation Pty Ltd, an associate entity of Jefferson Harcourt. These arrangements reflect normal commercial terms.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify) - Bank guarantee	31	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

- Bank guarantee funds secured in accordance with premises lease terms.

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	(300)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(8)
9.4 Leased assets	(4)
9.5 Staff costs	(139)
9.6 Administration and corporate costs	(72)
9.7 Other (provide details if material)	
- Legal & professional	(20)
- Intellectual property	(17)
- Transaction costs related to issues of shares, convertible notes or options	-
<b>9.8 Total estimated cash outflows</b>	<b>(560)</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	N/A

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Signed:

Date: 30 January 2017

Mr Iain Kirkwood  
Director

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.