

ASX Release

ACQUISITION OF NEWLY, SUCCESSFUL OVERSUBSCRIBED \$2.5M PLACEMENT TO INSTITUTIONAL AND SOPHISTICATED INVESTORS AND \$1.0 MILLION NON-RENOUNCEABLE RIGHTS ISSUE

KEY POINTS

- **Novita has agreed to acquire Newly, an innovative online marketplace connecting care and support professionals with people and organisations in need**
- **Successful oversubscribed \$2.5 million two tranche Placement at \$0.03 per share to fund the growth of Newly as well as Novita's existing business, TALI**
- **Non-renounceable Rights Issue to be offered to all eligible shareholders at the same issue price as the Placement, to raise up to an additional \$1.0 million**

NEWLY ACQUISITION

Novita Healthcare Limited (ASX: NHL) ("**Novita**" or the "**Company**"), an innovative health technology company, is pleased to announce that it has entered into binding documentation to acquire Newly Pty Ltd ("**Newly**") (the "**Acquisition**") for total consideration comprising \$1.0 million upfront and a deferred cash earn-out of 4x profit before tax in calendar year 2019. The upfront component is payable in Novita shares at the same issue price as the equity raising and will be subject to an escrow period of 18 months from the date of issue.

Newly is an innovative and scalable technology platform that provides an enhanced recruitment solution for the aged/community and disability care sector. Newly has one of the largest database of carers in Australia, and has established relationships with major care providers nationally.

The Acquisition provides a valuable expansion opportunity for Novita into the large and growing aged care and disability market. Novita also has the further opportunity to potentially extend the application of Newly's technology across the broader community care spectrum to provide services complementary to Novita's foundation investment, TALI.

Commenting on the Acquisition, Iain Kirkwood, Executive Chairman said:

"The acquisition of Newly is consistent with Novita's renewed strategic focus on exploring innovative and cutting-edge aged and community care technology opportunities. Newly's database and technology provide an exciting way to leverage core R&D competencies and capitalise on innovative care technologies, while also lowering overall risk through product diversification."

EQUITY RAISING

The \$3.5 million equity raising will be achieved through the successful oversubscribed \$2.5 million Placement to institutional and sophisticated investors ("**Placement**"), and a non-

renounceable Rights Issue to be offered to all eligible shareholders to raise up to an additional \$1 million ("**Rights Issue**").

The Acquisition and the equity raising is expected to comprise the issue of approximately 159 million new shares at an issue price of \$0.03 per share. The offer price represents a discount of 6.3% to the last close and a 7.1% discount to the 5 day volume weighted average price ("**VWAP**").

The equity raising is structured as follows:

- **Placement in two tranches**
 - Tranche 1 – unconditional placement of 16.7 million shares issued under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A (to raise approximately \$0.5 million); and
 - Tranche 2 – conditional placement of 66.7 million shares (to raise approximately \$2.0 million), subject to shareholder approval at an Extraordinary General Meeting ("**EGM**") of the Company's shareholders, expected to be held on Friday, 18 August 2017 (a Notice of Meeting will be dispatched to all shareholders shortly).

- **Rights Issue**
 - 34.1 million shares expected to be issued through a 1 for 6 non-renounceable Rights Issue to all eligible shareholders (to raise up to approximately A\$1.0 million)
 - Eligible shareholders may also apply for additional new shares in excess of their entitlement that are not subscribed for by other eligible shareholders ("**Shortfall Shares**") under the Top-Up Facility.

Shareholders whose details appear on the Company's register as at Tuesday, 18 July 2017 with a registered address in Australia and New Zealand will be eligible to participate in the Rights Issue. New shares issued under the Acquisition and the equity raising will rank equally with existing Novita ordinary shares. New shares issued under the Placement will not be eligible to participate in the Rights Issue.

The funds raised from the equity raising are intended to be used to:

- Accelerate the investment required to further develop Newly's software and roll out the business nationally
- Provide additional expansion capital to support and accelerate the commercialisation of Novita's assets

Novita's Board have also stated an intention to take up their entitlements under the Rights Issue.

Commenting on the equity raising, Iain Kirkwood, Executive Chairman said:

"The institutional support seen in the Placement is a strong vote of confidence in Novita's renewed strategic focus and team. The Company is now well positioned to accelerate the commercialisation of both Newly and TALI, with expected synergies from the leverage of common infrastructure including R&D, distribution and finance."

Shaw and Partners acted as sole Lead Manager to the equity raising. Vesparum Capital is acting in an independent capital markets advisory role for Novita.

INDICATIVE TIMETABLE

Trading halt	Monday – Tuesday, 10 to 11 July 2017
Offer announced and company resumes trading	Wednesday, 12 July 2017
“Ex” date for Rights Issue	Monday, 17 July 2017
Record date for Rights Issue	5:00pm (AEST) Tuesday, 18 July 2017
Settlement of Placement shares under Tranche 1	Tuesday, 18 July 2017
Despatch of Rights Issue booklet and acceptance form to shareholders	Wednesday, 19 July 2017
Allotment of Placement shares under Tranche 1	Wednesday, 19 July 2017
EGM authorising issue of Placement shares under Tranche 2	Friday, 18 August 2017
Closing date of Rights Issue	5:00pm (AEST) Friday, 18 August 2017
Settlement of Placement shares under Tranche 2 (subject to EGM approval)	Tuesday, 22 August 2017
Allotment of Placement shares under Tranche 2 (subject to EGM approval)	Wednesday, 23 August 2017
Allotment of Rights Issue shares	Friday, 25 August 2017

The above timetable is indicative only, and subject to the ASX Listing Rules which may be varied

ABOUT NOVITA

Novita Healthcare is a Melbourne-based health technology company with a long history of innovation, development and commercialisation of medical treatments. 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 commercialisation 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.

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