

ASX Release

SUCCESSFUL \$2.78M PLACEMENT TO INSTITUTIONAL AND SOPHISTICATED INVESTORS COMBINED WITH DIVESTMENT OF NEWLY

KEY POINTS

- **Successful \$2.78 million Placement at \$0.031 per share to fund the commercialisation and growth of TALI**
- **Novita has entered into a “Heads of Agreement” to sell Newly to HealthcareLink**
- **Strategy focused on delivering marketing leading digital screening tools and therapeutics**

EQUITY RAISING

Novita Healthcare Limited (ASX: NHL) (“**Novita**” or the “**Company**”), is pleased to announce the completion of an equity raising to fund the commercial growth of the Company’s Digital Therapeutic product TALI. The \$2.78 million equity raising was achieved through a successful Placement to institutional and sophisticated investors (“**Placement**”).

The equity raising comprised of the issue of approximately 89.8 million new shares at an issue price of \$0.031 per share. The offer price represents a discount of 6.06% to the last close and 5-day volume weighted average price (“**VWAP**”).

The placement will fully utilise the Company’s placement capacity under ASX Listing Rules 7.1 (capacity and used 53,916,620 shares) and 7.1A (capacity and used 35,944,413 shares). Refer Appendix 3B Annexure 1, Parts 1 and 2, lodged following this announcement.

The net proceeds of the placement will be used for:

- Direct to consumer marketing and sales activities for TALI Train
- International expansion for TALI Train
- Initial TALI Detect pilot programs
- HealthcareLink capital subscription as part of divestment of Newly Pty Ltd

Commenting on the equity raising, Mark Simari, Chairman said:

“This successful capital raising along with TALI being recently listed on the ARTG as a class 1 medical device and also becoming a registered provider in the National Disability Insurance Scheme (NDIS) will form the foundation and pathway for Glenn and the team to fast track the commercialisation of TALI.”

Shaw and Partners acted as sole Lead Manager to the equity raising. A presentation outlining the equity raise along with additional information on TALI Health follows this release.

NEWLY DIVESTMENT

The Company has entered into a Heads of Agreement to sell Newly to HealthcareLink (www.healthcarelink.com.au). HealthcareLink (HCL) is an award winning, online marketplace for jobs and careers in the healthcare and medical industry. The combined entity will create a powerful human

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resource placement solution in the healthcare sector, driven by deep domain experience of the combined teams and a unique SaaS technology offering.

The transaction contemplated in the Heads of Agreement is for the Company to achieve a 10% equity interest in HCL, valued at \$1.0 million. This is to be achieved in two steps:

The first step for the Company is to divest its holding in Newly to HCL for no cash but an issue of shares in HCL. The second step is for the Company to participate in an equity raising by HCL of up \$1.4 million. The Company's participation will be a cash subscription of \$400,000 and it will receive sufficient equity in HCL to achieve the 10% interest in HCL following completion of steps one and two. This implicitly values the non-cash consideration for sale of Newly at \$600,000, less than 10% of the enterprise value of Novita Healthcare.

In addition, HCL will pay the Company an earn out amount capped at \$300,000, based on a multiple of monthly sales determined twelve months after transaction completion and will be payable thereafter in additional equity in HCL. The Company will also obtain a board seat on the HCL board.

HCL is independent of the Company and its directors, and HCL has been valued by the HCL directors and their independent advisers to have a value, post-capital raising, of \$10 million. The transaction is subject to successful completion of due diligence by the Company of HCL and by HCL of Newly.

Commenting on the sale, Glenn Smith, Managing Director said:

"Recruitment spend in Healthcare is \$1.5B per annum¹. HealthcareLink and Newly combined will have the capability to create a differentiated and market leading offer to tackle this massive opportunity whilst allowing Novita to focus on its core strategy with TALI Health."

RAISE AND INDICATIVE TIMETABLE

CAPITAL STRUCTURE	
Securities currently on Issue	359.4 million
New Securities to be issued ²	89.8 million
Securities on issue post the Offer ³	449.2 million
Market capitalisation post the Offer ⁴	\$13.9 million

- 1. HealthcareLink corporate presentation July 2018.*
- 2. Assumes placement fully subscribed.*
- 3. The Company reserves the right to take oversubscriptions in the Placement.*
- 4. As at the Offer Price of \$0.031.*

INDICATIVE TIMETABLE	
Enter Trading Halt	Tuesday, 17 July 2018
Bids Due	[9.00am] Wednesday, 18 July 2018
Trading Halt lifted and Placement announcement	Thursday, 19 July 2018
DvP Settlement	Tuesday, 24 July 2018
Allotment and Issue of New Shares	Wednesday, 25 July 2018
Normal trading commences	Thursday, 26 July 2018

**Dates are indicative only and are subject to change*

ABOUT NOVITA HEALTHCARE

Novita Healthcare is an emerging health sector technology company targeting developmental delay in children through its breakthrough technology TALI. TALI Train, which is TALI health's flagship application uses proprietary software algorithms to monitor and assist in the treatment of cognitive problems such as attention difficulties in early childhood.

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