

Novita Healthcare Ltd to acquire technology platform

14 July 2017 | News

The total consideration for the acquisition will comprise \$1 million upfront and a deferred cash earn-out of 4x profit before tax in calendar year 2019



Novita Healthcare Ltd has recently entered into a binding agreement to acquire Newly Pty Ltd which is a recruitment solution for the aged/community and disability care sector.

The total consideration for the acquisition will comprise \$1 million upfront and a deferred cash earn-out of 4x profit before tax in calendar year 2019.

Newly is an innovative and scalable technology platform that provides an enhanced recruitment solution for the aged/community and disability care sector and it 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 has developed the innovative TALI system, which uses cutting edge technology to treat and monitor cognitive problems such as attention difficulties in early childhood

The company now has an opportunity to potentially extend the application of Newly's technology across the broader community care spectrum to provide services complementary to TALI.

Novita has also launched an equity raising to provide funds for the expansion of Newly and Novita's existing business.

The company has already received oversubscriptions for its \$2.5 million placement to institutional and sophisticated investors at \$0.03 per share.

Novita is also offering a non-renounceable rights issue for all eligible shareholders at the same issue price as the placement, to raise up to an additional \$1 million.