A new era in neuroscience and early childhood digital health

AGM Presentation November 2019 (ASX:NHL)
NOVITA Healthcare Limited is an ASX listed digital software development and commercialisation business focused in the area of neuroscience (the early child brain currently).

TALi has achieved ARTG Class 1, FDA Class 2 and CE Mark – we are a medical device.

Significant IP (Australian Patent granted) generated - the technology is a scientifically and clinically proven digital assessment and training program focused on childhood attention.

<table>
<thead>
<tr>
<th>Corporate Overview (ASX:NHL)</th>
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<tbody>
<tr>
<td><strong>Share price (25-November-19)</strong></td>
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<tr>
<td><strong>Number of shares</strong></td>
</tr>
<tr>
<td><strong>Market capitalisation</strong></td>
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<tr>
<td><strong>Cash (at 30-Sept-19 and combining raise)</strong></td>
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<tr>
<td><strong>Debt (30-Jun-18)</strong></td>
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<td><strong>Enterprise value</strong></td>
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</table>

Source: Automic

Notes:
1. Excludes unlisted options on issue at various vesting and expiry dates with A$0.03 and A$0.09 exercise prices
2. Post announcement of the 25th November 2019 regarding capital raised and assumes shares allotted
Other key developments and investment highlights

• **CPT reimbursement code access** via predicate device pathway

• AUD$8.2m (August and October) capital raise to help drive international marketing and sales

• **Go to market strategy and business model set**

• Partner discussions underway that will assist in roll out of products globally
We are TALi

• Digital screening and treatment during childhood
• Focus on attention and attention related areas for 3-8 year old children
• Solutions delivered under the TALi brand (www.talihealth.com) globally
• TALi has been designed for ALL children in early childhood
First the screening (assessment) – TALi Detect*

- A scalable tool to detect early attention difficulties (takes 20 mins)
- Delivered via a tablet: iOS and Android
- Designed for children aged 3 to 6 (but up to 8 years of age).
- Designed for widespread national and global use.

*TALi Detect has been developed via an Australian Government CRC-Project in conjunction with Monash University and Torus Games. The project has yet to complete and the clinical trail data not yet published. As such the product is referred to as ‘in-market testing or Beta phase’
Flagging children who need support – the Report

A data driven approach to empower parents, teachers and healthcare professionals

- **Vulnerable**: Children who are likely experiencing attention vulnerabilities.
- **Borderline**: Students who are at risk of becoming attentionally vulnerable.
- **On Track**: Students who are performing at or above the expected level for their age.
Then the training (treatment) – TALi Train

- Trains early attention skills in 3-8 age range
- 25 x 20 minute sessions backed by randomised controlled clinical trials
- Cleared by regulatory authorities as a registered Medical Device in Australia (TGA), USA (FDA) and EU (CE)
- Delivered via a tablet: iOS and Android
TALI is another “tool in the toolkit” as a first line assessment and intervention or complimentary to existing practice.

Cloud based, real time access and management of children via the TALI Portal.
It is clinically proven and well-known amongst the clinical community that early intervention provides the best outcomes for patients with attention difficulties. However, clinicians are searching for non-drug based therapies to use in the early stages that provide long term results.

Early intervention will present improvements in learning for children with attention difficulties in the initial stages of their education, reducing pressure on the schooling system to offer extensive special needs assistance.
TALi is delivered via tablet – freemium SaaS model

- Access point: Free to undertake assessment - TALi Detect
- Then initial payment point: $199 once off for TALi Train for 25 x 20min sessions (volume price for schools and other institutions)
- Then recurring $10 per month ongoing charged to iTunes/Google Play or credit card
The Evidence

Tali is Effective for Children with Development Disorders as well as Typically Developing Children

Results of a rigorous double-blind randomised controlled clinical trial investigating the effectiveness of Tali Train have shown that children who used Tali Train vs another touchscreen program for the same period of time are as follows:

Children with developmental disorders:
- Achieved significantly greater gains in selective attention immediately after training \[b=-1.68, p<0.05, d=0.24\]
- Attentional gains were maintained up to three months after training had ceased \[b=-1.87, p<0.05, d=0.26\]
- Showed significantly greater improvements in numeracy skills three months after training had ceased \[b=1.94, p<0.05, d=0.15\].
- These findings are part of one of the few studies that have successfully promoted transfer to untrained skills

Typically developing children:
- Had a significant reduction in ADHD symptoms in the classroom immediately after training \[b=-13.53, p=0.001, d=0.86\]

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Scientific Publications and Awards

2015 Publication: **Review**
Review of cognitive training
Need more evidence of their efficacy

2016 Publication: **Experimental**
Children with developmental disorders have different cognitive attention profiles despite similar behavioural attention profiles
Attention training can positively impact aspects of attention in children with developmental disorders

2016 Publication: **RCT**
Tali Train significantly reduced errors in selective attention
Attention training can positively impact aspects of attention in children with developmental disorders

2017 Publication: **RCT**
Tali Train significantly improved numeracy skills in children with developmental disorders
Improvements in untrained outcomes (e.g., numeracy) may benefit children with ASD, DS, NSID

2017 Development Grant
Professor Cornish & Dr Kirk awarded CRC-P Grant from the Department of Industry, Innovation and Science
A scalable detection tool for childhood inattention: Tali Detect™

Interactive attention training technology to enhance cognitive skills in early life

Interactive attention training technology to enhance cognitive skills in early life
What is the problem? Lack of attention

In simple terms most of us take for granted the ability to stay focused on one task. But did you know that attention problems are the *most commonly reported childhood difficulty*. 

Attention is important because:

- A lack of attention is closely associated with the ability to learn, social inclusion and critical to mental and general well being 

**Studies have found:**

- Attention at the age of 4 years predicts math and reading at the age of 21 years
- Attention at the age of 4 years predicts the odds of completing college by age 25
- 136 million children globally have diagnosed severe attention difficulties
Attention — A Global Issue: cognitive assessment and training market to grow from USD 1.98 billion in 2016 to USD 8.06 billion by 2021 (CAGR of 32.3%).

Attention problems are the most commonly reported childhood issue with 40% of children who are otherwise typically developing at the age of four have some degree of attention difficulty.

136M children globally have severe attention difficulties

6.1M children in the USA have ADHD as a diagnosed condition

400,000 children in Australia severe attention difficulties with $24 billion dollars as the annual cost of childhood inattention in Australia

Attention related disorders

- Schizophrenia
  - > 21 M people worldwide; WHO

- Major Depressive Disorder
  - > 300 M people worldwide; WHO

- Traumatic Brain Injury
  - Mox et al. 2015

- Intellectual disability
  - Anastasia Hronis et al. 2017

- Alzheimer’s Disease
  - Chou et al. 2015

- Anxiety
  - Wauthia E, & Rossignol M Front Psychol. 2016

- Epilepsy
  - Sefer M et al. Epilepsy Behav. 2017

- Down Syndrome
  - Grieco J et al. 2015

- Fragile X syndrome
  - Wauthia E, & Rossignol M Front Psychol. 2016

- ADHD

- Autism Spectrum Disorder

- Down Syndrome
  - Grieco J et al. 2015

- William’s syndrome
  - ~ 50 M people worldwide; WHO

> > 264 M people worldwide; WHO
> > 129 M children worldwide; CHADD
> > 300 M people worldwide; WHO
> > 15
> > 21 M people worldwide; WHO
> > 264 M people worldwide; WHO
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# The Competition

<table>
<thead>
<tr>
<th>Test or Intervention</th>
<th>Validation</th>
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<tbody>
<tr>
<td><strong>Psychostimulants</strong></td>
<td>• Data for assistance with symptoms. Side effects include: Appetite loss, abdominal pain, headaches, and sleep disturbances, worsening of tics and anxiety, psychotic symptoms</td>
</tr>
<tr>
<td>Methylphenidates</td>
<td></td>
</tr>
<tr>
<td>Amphetamines</td>
<td></td>
</tr>
<tr>
<td>Kneomedia</td>
<td>• Not a clinically validated tool. Education settings only</td>
</tr>
<tr>
<td>MindMed (ADHD Treatment)</td>
<td>• No clinical validation (and/or under question)</td>
</tr>
<tr>
<td></td>
<td>• Claims to treat ADHD – no evidence</td>
</tr>
<tr>
<td>Play Attention</td>
<td>• Neurofeedback based – no evidence or unreliable</td>
</tr>
<tr>
<td>Concentration - Kids Attention Trainer</td>
<td>• No peer reviewed literature supporting effectiveness</td>
</tr>
<tr>
<td>BrainBeat</td>
<td>• App trains motor function only</td>
</tr>
<tr>
<td>Atentiv</td>
<td>• Neurofeedback based – no evidence or unreliable</td>
</tr>
<tr>
<td>Myndlift</td>
<td>• Neurofeedback based - no peer reviewed literature supporting effectiveness</td>
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WHY ARE THE EARLY YEARS SO IMPORTANT

- The early years of development from conception to age 6 (particularly for the first 3 years) set the base for competence and coping skills that will affect:
  - learning
  - behaviour and
  - health throughout life.
NEURAL PRUNING – USE IT OR LOSE IT – AND THAT’S WHERE NURTURE COMES INTO THE EQUATION

A child’s brain grows from around $\frac{1}{4}$th at birth to $\frac{2}{3}$rd the size of the adult brain by age 3.
• Focusing on early childhood development through neuro-supportive, school-based intervention models would maximise an investment in national brain health and fitness.

• James Heckman, Nobel Memorial Prize winner in economics and an expert in the economics of human development: 

*Investing in early childhood development returns $7-$10 per dollar investment*
What are the real costs?

• In other words, we can ‘pay now’ by ensuring positive conditions for healthy development, or ‘pay more later’ in the form of:
  
  • health care
  • costly educational remediation
  • mental health services
  • increased rates of incarceration

Attention-related disorders (including ADHD) cost Australians over $20 billion per year
Current practice is good but not optimal for 3 – 8 year old children in the attention related segment

• Children must go through a healthcare for assessment and intervention (treatment) – this includes children who are neurotypical

• In clinic programs not optimal for 3-8 year old children

• Psychostimulants reduced use and alternates such as Atomoxetine have FDA “black box warning” for suicide risk
93% of users have demonstrated positive improvements in:

a) Inattentive behaviour and b) Hyperactive behaviour

### Average score and improvement*

<table>
<thead>
<tr>
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<th>Before training</th>
<th>After training</th>
<th>Difference before-after</th>
</tr>
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<tbody>
<tr>
<td>Total Score</td>
<td>27</td>
<td>9</td>
<td>-18</td>
</tr>
<tr>
<td>Inattentive Behaviour</td>
<td>14</td>
<td>4</td>
<td>-10</td>
</tr>
<tr>
<td>Hyperactive Behaviour</td>
<td>13</td>
<td>5</td>
<td>-8</td>
</tr>
</tbody>
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*The lower the score the fewer difficulties in attention. Average score and improvement as recorded from children/parents who are users of Tali Train*
Not just attention results, but happy children
Near term milestones in next 3-6 months

- ✔ Publication of clinical trial results from CRC-P: TALi Detect project
- ✔ Update on screening and conversion to paid training through Schools
- ✔ Reimbursement – rollout into USA and partner acquisition update
- ✔ Update on “other potential channel partners” globally to drive awareness, recognition and sales of TALI
WHERE ARE WE HEADING IN 2020 AND BEYOND?

Global from day one means delivering our apps to a global audience via multiple channels – e.g. direct to parent via app store, schools, healthcare professionals, channel partners

- Continue to grow in market:
  - Australia (now)

- Expansion into:
  - North America (now)
  - UK and Europe (2020)

- Expansion into:
  - Asian markets (mid-late 2020)
THE COMPANY – Your Board and team

Sue MacLeman
- Sue has more than 30 years’ experience as a pharmaceutical, biotechnology and medical technology exec
- Sue has served as CEO and Board member of several ASX and NASDAQ listed companies in the sector

Glenn Smith
- Over twenty years experience in leading customer-centric businesses in periods of rapid growth
- Seasoned executive who has held senior roles in strategy, investment, R&D, marketing, sales and operations

Jefferson Harcourt
- Founder of Grey Innovation, significant product development and commercial expertise
- Sits on a number of private technology company boards in medical device and security markets

Mark Simari
- Significant experience on boards in privately held and ASX-listed companies
- Responsible for driving growth strategies including acquisitions, capital raising, restructuring, and driving strategic and business planning processes
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Happier kids start here.

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