



## Simavita releases unaudited financial statements and MD&A for the three-month period ended September 30, 2015

For Immediate Release

November 20, 2015

**Sydney, Australia** – Simavita Limited (“Simavita” or the “Company”) (TSX-V: SV; ASX: SVA), a global leader in the digital healthcare sector, is pleased to release its financial results for the first quarter ended September 30, 2015, reported in Australian dollars and in accordance with International Financial Reporting Standards (“IFRS”).

### Quarterly highlights

Notable highlights during the September quarter included:

- Revenue from the sale of SIM™ of \$203,814 representing an increase of 107% over the same prior year period.
- Execution of sales and marketing agreement with Paul Hartmann Pty. Ltd. to further expand the distribution of SIM™ in the Australian marketplace.
- Commencement of global roll out of the Software as a Service (SaaS) business model.
- Signing two Canadian partners to distribute SIM™ on a non-exclusive basis in Canada and, post the quarter, the first Canadian chain was signed up under a SaaS model.
- Further strengthening the Company’s global patent portfolio, with the granting of six new patents during the quarter.
- Distribution arrangements with Medline modified, transitioning to a non-exclusive distribution agreement in parallel with the strengthening of Simavita’s own US sales and marketing team.

Immediately post the quarter:

- Significant funding (\$469,450) was awarded by the Queensland Health Department to fund the deployment of SIM™ in rehabilitation wards of two major hospitals in Brisbane over the next two years.
- Sales of SIM™ in the North American market continued to grow, with new agreements signed representing 2,500 beds, and further pilots underway as part of the expanding North American pipeline.

For further information, see our website ([www.simavita.com](http://www.simavita.com)) or contact the persons outlined below.

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### About Simavita

Simavita is a digital healthcare company that has developed an innovative software platform. The first application for the platform is a world first solution for the management of urinary incontinence, with a focus on the elderly. This platform technology is an instrumented incontinence assessment application that provides evidence-based incontinence management care plans to the residential aged care market.

## **About SIM™**

SIM™ is a wireless sensor technology that delivers evidence-based instrumented incontinence data on individuals. SIM™ provides user friendly tools and software to assess the incontinence condition and to help plan better outcomes. SIM™ is used to detect, record and report incontinence events and related nursing interventions during a compulsory or recommended assessment period in residential aged care facilities; and to then develop evidence-based person-centred incontinence care plans.

Conducting assessments is mandatory in many countries and the incontinence assessment creates an influential element of care of each individual. For more information on Simavita or SIM™, please visit [www.simavita.com](http://www.simavita.com).

*The TSX Venture Exchange (“TSX-V”) has in no way passed upon the merits of the transactions set out herein and has neither approved nor disapproved the contents of this press release. Neither the TSX-V nor its Regulation Services Provider (as that term is defined in policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this Release.*

*Except for historical information, this announcement may contain forward-looking statements that reflect the Company’s current expectation regarding future events. These forward-looking statements involve risk and uncertainties, which may cause, but are not limited to, the anticipated date of on the ASX, changing market conditions, the establishment of corporate alliances, the impact of competitive products and pricing, new product development, uncertainties related to the regulatory approval process, and other risks detailed from time to time in the Company’s ongoing quarterly and annual reporting.*

## **Forward-Looking Information**

This document may contain “forward-looking information” within the meaning of Canadian securities laws (“forward-looking information”). This forward-looking information is given as of the date of this document.

Forward-looking information relates to future events or future performance and reflects Simavita management’s expectations or beliefs regarding future events. Assumptions upon which such forward-looking information is based include that Simavita will be able to successfully execute on its business plans. Many of these assumptions are based on factors and events that are not within the control of Simavita and there is no assurance they will prove to be correct.

In certain cases, forward-looking information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “potential”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or information that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. By its very nature forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Simavita to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, risks related to actual results of current business activities; changes in business plans and strategy as plans continue to be refined; other risks of the medical devices and technology industry; delays in obtaining governmental approvals or financing or in the completion of development activities; as well as those factors detailed from time to time in Simavita’s interim and annual financial statements and management’s discussion and analysis of those statements. Although Simavita has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Simavita provides no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.



**Simavita**  
gracing life

# **SIMAVITA LIMITED**

ARBN 165 831 309

**MANAGEMENT DISCUSSION AND ANALYSIS**

**AND**

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

**(UNAUDITED)**

**FOR THE THREE-MONTH PERIOD ENDED**

**SEPTEMBER 30, 2015**

## **NOTICE OF AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company for the three-month period ended September 30, 2015 have been prepared by and are the responsibility of the Company's Management.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

# SIMAVITA LIMITED

(the “Company”)

## Management Discussion and Analysis

(Form 51-102F1)

For the three-month period ended September 30, 2015

The following Management Discussion and Analysis (“MD&A”) of the results and financial position of the Company for the three-month period ended September 30, 2015 should be read in conjunction with the information provided in the Company’s Condensed Consolidated Interim Financial Statements for the three-month period ended September 30, 2015 (“Financial Statements”) and the material contained herein.

Unless otherwise noted, all currency amounts contained in this MD&A and in the Financial Statements are stated in Australian dollars (AUD). The information presented in the Financial Statements is prepared in accordance with International Financial Reporting Standards (“IFRS”).

### DATE

This MD&A is dated **November 20, 2015**.

### OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS

#### Highlights

- Revenue from the sale of SIM™ of \$203,814 represents an increase of 107% over the same prior year period.
- Revenue generated in the quarter includes sales to Abena A/S in Denmark and to the Company’s second Australian distributor, Paul Hartmann Pty. Ltd., as well revenue from sales to direct customers in both US and Canada.
- As at the date of this MD&A, the combined total number of sites at which SIM™ is deployed, or contracted to be deployed, is equivalent to more than 100.

#### Overview

The Simavita Group of companies (the “Group”) operates in the global digital healthcare space and has developed an innovative, software platform which is a patented world-first solution for the management of urinary incontinence. The Group’s flagship product is the Smart Incontinence Management™ (“SIM™”) wearable which is an instrumented incontinence assessment application that provides evidence-based incontinence data for the 72 hour assessment. This assessment provides person-centred care plans for the elderly who reside in residential aged care facilities and acute care rehabilitation settings.

#### Australia

As at the date of this MD&A, the Company’s SIM™ technology is being used, or is contracted to be used, by 77 residential aged care facilities in Australia. To assist in the further expansion of the Company’s market share in Australia, non-exclusive sales and marketing partnership agreements have been executed with residential aged care distributors, Bunzl Outsourcing Services and Paul Hartmann Pty. Ltd. Through these partnerships, Bunzl and Hartmann are working with Simavita to introduce SIM™ to aged care facilities that are their existing customers. Simavita continues to sell SIM™ locally using its own sales force.

Subsequent to the end of the three-month period ended September 30, 2015, the Company announced that funding totalling \$469,450 for the supply of its SIM™ technology to the rehabilitation wards of two large public hospitals in Queensland had been approved following successful applications made under the Queensland Department of Health’s New Technology Funding and Evaluation Program. The funding will run over two years.

## **Overview (cont.)**

### North America

The Company expanded its operations internationally by appointing US corporation Medline Industries, Inc. as its distributor. Sales of SIM™ have now commenced in the US market. In July 2015, the Company announced that the agreement with Medline would transition to a non-exclusive distribution arrangement. While the distribution relationship with Medline continues to be an important one for Simavita, this transition will enable the Company to commence independent sales and marketing activities, and also to engage additional third party distributors over time.

In June 2015, to further expand its US presence, Simavita entered into an agreement with MatrixCare, a leading electronic healthcare records (EHR) provider to the US long term, post-acute care healthcare market, where its EHR solution is currently deployed across more than 7,000 aged care facilities. Under this agreement, the parties are collaborating to jointly develop an integrated solution to effect interoperability between SIM™ and MatrixCare's EHR solution. The parties will also work together to deploy the integrated solution and their respective technologies to the US aged care sector. Once complete, the integrated solution will enable MatrixCare customers to seamlessly integrate the data generated by SIM™ technology into their electronic medical records.

During the three-month period ended September 30, 2015, the Company announced its first sales in Canada with the signing of a supply agreement with a long term care group in Ontario. The Company also appointed two local distributors in Canada, Medline Canada Corporation (an associate of Medline Industries, Inc.) and MedProDirect Inc. to supply the local market.

### Europe

On January 29, 2015, the Company announced the execution of a distribution agreement with Abena A/S covering the sale and distribution of SIM™ in Denmark. Early sales of the product in Denmark have commenced, with an expansion into other European countries envisaged during the 2016 financial year.

### SaaS business model

In July 2015, Simavita initiated the roll out of its "Software as a Service" (SaaS) business model. The Simavita customer can access the SIM™ software platform via a software licence agreement. The SaaS model means that customers pay a fixed, monthly fee. Assessment kits and the accompanying hardware are additional.

The SaaS model is well understood by the healthcare sector. It enables the customer to easily manage its IT and consumable budgets with more certainty.

The SaaS model provides Simavita with an annuity revenue stream plus the revenue from Assessment kits and hardware. Agreements with the Company's first US and Canadian customers under the new SaaS model have now been executed and negotiations with other potential customers are underway as the Company's North American sales pipeline continues to grow. The Australian market is now converting to SaaS agreements and the EU expansion will be similarly deployed.

### Likely developments

During the remainder of the 2016 financial year, in addition to working to increase the sales of its products in Australia, North America and Europe, Simavita will continue to innovate its core product, expand its intellectual property portfolio, establish expanded strategic alliances and develop additional applications for the platform.

## **Changes to capital structure**

- During the three-month period ended September 30, 2015, the Company issued no new shares.
- On July 7, 2015, the Company granted a total of 193,000 unlisted stock options pursuant to the Company's stock option plan to three employees of the Company. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at a price of \$0.70 per share. The options vested immediately upon the date of grant and have an expiry date of June 30, 2019.
- On September 18, 2015, the Company granted a total of 250,000 unlisted stock options pursuant to the Company's stock option plan to a consultant of the Company, as part of a pre-existing obligation. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at a price of \$0.50 per share. The options vested immediately upon the date of grant and have an expiry date of September 18, 2018.

## **Discussion of operations**

### Statement of comprehensive loss

#### *Overview*

The Group reported a consolidated loss after income tax for the three-month period ended September 30, 2015 of \$2,676,601, which was \$311,873, or 13%, more than the loss incurred during the previous corresponding period ended September 30, 2014 of \$2,364,728. The increase in the current period loss is principally attributable to:

- an increase of \$884,967 in sales, marketing and distribution costs due to the expansion of the Company's US sales and marketing team, in addition to greater advertising and marketing expenses incurred during the current period;
- a reduction of \$267,844 in the share-based payments expense incurred due to a reduction in the number of unlisted stock options that were granted during the current period;
- a quarterly accrual of \$337,500 representing an estimated income tax benefit in the current period.

#### *Revenues*

Revenues generated by the Group from the sale of its SIM™ solution increased by \$105,121, or 107%, to \$203,814 during the period ended September 30, 2015, as compared to \$98,693 for the previous corresponding period.

The Group anticipates that sales of SIM™ in Australia will continue to grow as sales and marketing efforts result in further long term care facilities adopting the technology. In the US market, sales of the SIM™ solution are growing and extensive pilot programs and research projects are underway. Interoperability with electronic medical record companies and the appointment of additional distributors in certain other European countries, apart from Denmark, will continue. In Canada, the first customers are now using SIM™ and further sales are expected.

#### *Cost of sales*

The Company's cost of sales increased by \$49,911, or 150%, to \$83,244 during the period ended September 30, 2015, as compared to \$33,333 for the previous corresponding period.

The absolute increase in cost of sales during the current period is directly attributable to the corresponding increase in sales, together with costs associated with the establishment of new customers upon the introduction of the Company's SIM™ solution to their facilities. The reduction in gross margin during the period ended September 30, 2015 from 66% in 2014 to 59% is attributable to increased sales to third party distributors in Australia and Europe which results in a lower gross margin per unit sold.

#### *General and administration*

General and administration costs decreased by \$27,094, or 2%, to \$1,058,313 during the period ended September 30, 2015, as compared to \$1,085,407 for the previous corresponding period. As detailed on page 12, increases in employee benefits (\$32,511) and insurance expenses (\$34,350) were offset by reductions in related travel expenses (\$95,794) and consultants' fees (\$63,872).

## **Discussion of operations (cont.)**

### *Occupancy costs*

Occupancy costs increased by \$1,579, or almost 2%, to \$94,904 during the period ended September 30, 2015, as compared to \$93,325 for the previous corresponding period. The Group's existing accommodation is likely to be adequate for the foreseeable future and any increase should be due to inflation only.

### *Research and development*

Research and development ("R&D") costs increased by \$110,943, or 21%, to \$630,122 during the period ended September 30, 2015, as compared to \$519,179 for the previous corresponding period.

During the 2015 financial year, the Company undertook a greater proportion of its R&D activities in-house, resulting in the recruitment of additional staff and a larger total employee benefits expense. Further, amounts were paid to external parties in respect of specialist technical advice relating to specific R&D projects. As the Group continues to introduce further refinements to its existing products and develop new applications that leverage off its core SIM™ technology platform, it is likely that material R&D costs will continue to be incurred in future periods.

The rate and extent to which R&D activities will be undertaken by the Group in future will be partly dependent on its available cash resources. Importantly, the Group qualifies for an R&D tax incentive payment each year from the Australian Commonwealth Government that reduces the net overall cost incurred by the Group in respect of its R&D activities. During the three-month period ended September 30, 2015, the Company accrued an amount of \$337,500 in respect of estimated payments due under the relevant scheme.

### *Sales, marketing and distribution*

Sales, marketing and distribution ("SM&D") costs are reported on a geographical segment basis (refer Note 17 in the financial statements).

#### Australia

SM&D costs in Australia increased by \$301,207, or 89%, to \$639,034 during the period ended September 30, 2015, as compared to \$337,827 for the previous corresponding period.

During the 2015 financial year, the Company expanded the size of its local sales and marketing team, resulting in the recruitment of additional staff and a larger total employee benefits expense, as well as increased travel, marketing and advertising expenses. It is anticipated that, as the Group continues to market its SIM™ solution to secure further sales in Australia, these SM&D costs will continue to be incurred.

#### North America

SM&D costs in North America increased by \$512,056, or 462%, to \$622,976 during the period ended September 30, 2015, as compared to \$110,920 for the previous corresponding period.

Following the commencement of the distribution arrangement in the US with Medline Industries, Inc. in 2014, the Company has deployed significant resources to expand its North American sales and marketing presence such that the number of employees engaged in such activities increased from one at September 30, 2014 to seven by September 30, 2015. This increase resulted in a significantly greater total employee benefits expense, as well as increased associated consultant, travel, marketing and advertising expenses (refer page 12 for details).

As the Company has now commenced independent sales and marketing activities, it is likely that Simavita will incur additional SM&D costs in North America to support the growth in revenue in future periods.

#### Europe

SM&D costs in Europe were \$71,704, as compared to \$Nil for the previous corresponding period. During the current period, the Company continued to generate sales in the European market (in Denmark), through its arrangement with Danish distributor Abena A/S. As the Company seeks to expand its European sales and marketing presence, a small local team is currently being established. Expenses incurred to date largely comprise associated recruitment expenses.



## **Discussion of operations (cont.)**

### *Share-based payments expense*

Share-based payments expense decreased by \$267,844, or 81%, to \$62,569 during the period ended September 30, 2015, as compared to \$330,413 for the previous corresponding period, due to a significant reduction in the total number of options granted during the current period under review.

### *Income tax benefit*

The Group qualifies for an R&D tax incentive payment each year from the Australian Commonwealth Government which is recognized as an income tax benefit. The Company accrued an amount of \$337,500 for the period ended September 30, 2015 in respect of the estimated payment due under the relevant scheme. During the previous financial year, the Company did not start accruing for such payments until December 2014.

## **Statement of financial position**

### *Cash and cash equivalents*

The Group's cash and cash equivalents at the end of the period ended September 30, 2015 decreased by \$2,926,324, or 32%, to \$6,101,398, as compared to \$9,027,722 at the end of the previous financial year (refer below for details).

### *Trade and other receivables*

The Group's trade and other receivables at the end of the period ended September 30, 2015 increased by \$316,575, or 20%, to \$1,929,189, as compared to \$1,612,614 at the end of the previous financial year. As of June 30, 2015, an amount of \$1,339,584 was recognized in respect of the Company's estimated R&D tax incentive claim from the Australian Commonwealth Government due in respect of the 2015 financial year which should be received during the first quarter of the 2016 calendar year. An additional accrual of \$337,500 was recognized during the current period in respect of the pro rata portion of the Company's estimated claim for the 2016 financial year.

### *Inventories*

The Group's inventories at the end of the period ended September 30, 2015 increased by \$130,144, or 38%, to \$476,056, as compared to \$345,912 at the end of the previous financial year. This increase was consistent with the Group's increased sales during the current period.

### *Other assets*

The Group's other assets at the end of the period ended September 30, 2015 increased by \$18,277, or 11%, to \$177,811, as compared to \$159,534 at the end of the previous financial year. This increase was principally attributable to the prepayment of additional software subscription services.

### *Property, plant and equipment*

The Group's net property, plant and equipment at the end of the period ended September 30, 2015 decreased by \$4,181, or 2%, to \$200,307, as compared to \$204,488 at the end of the previous financial year. Any additions to such assets were offset by depreciation charges.

### *Trade and other payables*

The Group's trade and other payables at the end of the period ended September 30, 2015 increased by \$36,715, or 4%, to \$894,685, as compared to \$857,970 at the end of the previous financial year.

### *Share capital*

No new capital was raised during the quarter ended September 30, 2015.

### *Reserves*

The Group's reserves as at September 30, 2015 increased by \$155,337, or 4%, to \$3,633,404, as compared to \$3,478,067 at the end of the previous financial year. This movement comprised an increase in the share-based payments reserve of \$62,569, arising from the issue of options during the period, and an increase in the foreign currency translation reserve resulting from the revaluation of the assets and liabilities of foreign subsidiaries of \$92,768.

## Discussion of operations (cont.)

### Statement of cash flows

#### *Operating activities*

Net cash flows used in operating activities during the period ended September 30, 2015 increased by \$385,427, or 15%, to \$2,922,308, as compared to \$2,536,881 during the previous corresponding period. This increase was largely attributable to an increase in cash outflows relating to the Company's increased sales, marketing and distribution activities.

#### *Investing activities*

Net cash flows used in investing activities during the period ended September 30, 2015, decreased by \$43,005, or 53%, to \$38,485, as compared to \$81,490 during the previous corresponding period. During the last financial year, due to the expansion plan and hiring of additional staff, there was a significant increase in investing activities due to the purchase of property, plant and equipment. As a result, there was less need to incur similar expenditure during the current period.

#### *Financing activities*

There were no cash inflows or outflows from financing activities during the current period. During the previous corresponding period, net proceeds from the issue of shares of \$3,407,324 was received.

## SUMMARY OF QUARTERLY RESULTS

The following is a comparison of revenue and earnings for the previous thirteen quarters ended September 30, 2015, which includes the information contained in the first set of financial statements prepared by the Company since the reverse takeover of Simavita Holdings Limited on December 3, 2013. All financial information is prepared in accordance with IFRS and is reported in the Group's functional currency, the Australian dollar.

<b>Quarter ended</b>	<b>Total revenue</b>	<b>Net profit/(loss)</b>	<b>Net loss per share</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
September 30, 2015	203,814	(2,676,601)	(0.03)
June 30, 2015	159,748	(3,282,247)	(0.04)
March 31, 2015	160,744	(2,113,438)	(0.03)
December 31, 2014	359,389	(1,702,796)	(0.02)
September 30, 2014	98,693	(2,364,728)	(0.03)
Totals - year ended June 30, 2015	778,574	(9,463,209)	(0.12)
June 30, 2014	95,774	(867,099)	(0.03)
March 31, 2014	102,838	(4,406,615)	(0.15)
December 31, 2013	75,957	(2,865,887)	(0.09)
September 30, 2013	75,326	(2,352,189)	(0.07)
Totals - year ended June 30, 2014	349,895	(10,491,790)	(0.34)
June 30, 2013	37,103	(1,153,445)	(0.51)
March 31, 2013	100,211	(2,405,992)	(1.07)
December 31, 2012	72,743	(2,193,494)	(0.98)
September 30, 2012	106,233	(1,632,880)	(0.73)
Totals - year ended June 30, 2013	316,290	(7,385,811)	(3.29)

## LIQUIDITY

The Group incurred total expenses of \$3,179,622 during the three-month period ended September 30, 2015 and net cash flows from operations during the same period of \$2,922,308. The Group's cash and cash equivalents decreased during the period under review by \$2,926,324 such that the Group's cash reserves as at September 30, 2015 were \$6,101,398 and its working capital (defined to be current assets less total liabilities) was \$7,395,415.

In light of the above, the Group believes it has sufficient funds to meet its current working capital requirements. While sales of its SIM™ technology are steadily increasing, such that net cash outflows are progressively reducing, the Group anticipates that it will generate net outflows from operations for at least the next twelve months from the date of this MD&A. The date on which the Group achieves a break even position will be largely dependent on the rate at which Simavita's products are adopted by customers in the North American, European and Australian markets. Until that time, the Group will closely monitor its available cash and cash equivalents and the monthly net cash outflows used in operations that it incurs. To the extent that further capital may be necessary to support the Group's projected sales and marketing and product development plans, the Group will investigate and pursue appropriate potential financing options. Should the Company fail to raise additional capital to the extent required, Management will need to evaluate areas where reductions in expenses and/or personnel can be made.

Currently, there are no significant seasonality factors that influence the Company's business.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements in place as at September 30, 2015.

## CAPITAL RESOURCES

As detailed above, the Group believes it has sufficient funds to meet its current working capital requirements. The Company currently has no external debt and modest contractual commitments, as detailed below. As sales of SIM™ progressively increase, the Group's net cash outflows from operating activities should reduce. However, the Group anticipates that it will continue to generate net outflows from operating activities for at least the next twelve months from the date of this MD&A. The Group continues to closely monitor its capital resources (predominantly cash and cash equivalents), to ensure it has sufficient funds to meet its working capital requirements.

As at the date of this MD&A, the Company had the following contractual commitments:

### Operating lease expenditure commitments

Minimum operating lease payments	\$
- not later than one year	189,053
- later than one year but not later than five years	273,370
- later than five years	-
	<hr/>
Total minimum operating lease payments	<u>462,423</u>

As at the above date, the Group had entered into two operating leases relating to the following premises:

Location	Landlord	Use	Date of expiry of lease	Minimum payments (\$)
Level 13, 54 Miller Street North Sydney, NSW 2060 Australia	54 Miller Street Pty. Ltd.	Office	June 30, 2018	425,943
Level 40, 140 William Street Melbourne, Victoria 3000 Australia	ServCorp Pty. Ltd.	Office	May 31, 2016	36,480
			Total	<u>462,423</u>

## TRANSACTIONS BETWEEN RELATED PARTIES

### Payments made to Directors and NEOs during the three-month period ended September 30, 2015

Name and title of	Period	Short-term	Other	Post-employment	Long-term	Share-based	Totals
		Salary/fees		Superannuation	Long service leave	Options	
<b>Directors</b>		\$	\$	\$	\$	\$	\$
Michael W. Brown Non-Executive Chairman	2015 2014	27,397 -	- -	2,603 -	- -	- -	30,000 -
Philippa M. Lewis <sup>1</sup> Chief Executive Officer	2015 2014	103,500 87,500	33,750 17,500	9,000 7,312	883 742	- -	147,133 113,054
Ari B. Bergman <sup>2</sup> Non-Executive Director	2015 2014	7,393 8,244	4,167 -	940 506	- -	- -	12,500 8,750
Warren R. Bingham <sup>3</sup> Non-Executive Director	2015 2014	- -	12,500 -	- -	- -	- -	12,500 -
Damien M. Haakman <sup>4</sup> Non-Executive Director	2015 2014	- 8,753	12,500 165,000	- -	- -	- -	12,500 173,753
Craig J. Holland <sup>5</sup> Non-Executive Director	2015 2014	- -	15,000 -	- -	- -	- -	15,000 -
Peter C. Cook <sup>6</sup> Former Non-Exec. Chair.	2015 2014	- 25,000	- -	- 2,375	- -	- -	- 27,375
Sub-totals for Directors	2015 2014	138,290 129,497	77,917 182,500	12,543 10,193	883 742	- -	229,633 322,932
<b>NEOs</b>							
Thomas G. Howitt Chief Financial Officer / Company Secretary	2015 2014	60,854 60,854	- 10,919	4,696 4,696	- -	- -	65,550 76,469
Peta C. Jurd <sup>7</sup> Chief Commercial Officer	2015 2014	18,365 -	- -	1,745 -	- -	- -	20,110 -
Peter J. Curran Chief Technology Officer	2015 2014	62,356 67,455	- -	5,924 6,408	630 530	- 93,450	68,910 167,843
Christopher R. Southerland <sup>8</sup> VP, US Sales and Market.	2015 2014	95,859 -	7,605 -	- -	- -	- -	103,464 -
Charles B. Cornish <sup>9</sup> Dir., Sales and Market. ANZ	2015 2014	- -	69,000 -	- -	- -	- -	69,000 -
Edward W. Nixey General Counsel	2015 2014	51,288 -	- -	4,972 -	- -	- -	56,260 -
Paul Won VP, Man. and Supply Chain	2015 2014	50,000 -	- -	4,750 -	- -	- -	54,750 -
Sub-totals for NEOs	2015 2014	338,722 128,309	76,605 10,919	22,087 11,104	630 530	- 93,450	438,044 244,312
Total payments made to Directors and NEOs	2015 2014	477,012 257,806	154,522 193,419	34,630 54,638	1,513 1,272	- 93,450	667,677 567,244

## **TRANSACTIONS BETWEEN RELATED PARTIES (cont.)**

The amounts included in the tables above in respect of the three-month period ended September 30, 2015 include amounts paid by the Company and its subsidiaries to the individuals named and/or parties related to them, as disclosed below.

1. Payments made to Mrs. Lewis during the three-month period ended September 30, 2015 totalling \$33,750 (as disclosed above under the heading "Other") comprised a contractual monthly incentive payment. In respect of the period ended September 30, 2014, an amount of \$17,500 was paid as a dislocation and hardship allowance.
2. Payments made to Mr. Bergman during the three-month period ended September 30, 2015 totalling \$4,167 (as disclosed above under the heading "Other") comprised fees paid to Blasey Services Pty. Ltd., a company associated with Mr. Bergman (2014: \$Nil), in respect of services provided to the Company by Mr. Bergman as a Director.
3. Payments made to Mr. Bingham during the three-month period ended September 30, 2015 totalling \$12,500 (as disclosed above under the heading "Other") comprised fees paid to MedTech International Pty. Ltd., a company associated with Mr. Bingham, in respect of services provided to the Company by Mr. Bingham as a Director.
4. Payments made to Mr. Haakman during the three-month period ended September 30, 2015 totalling \$12,500 (as disclosed above under the heading "Other") comprised fees paid to Dussman Pty. Ltd., a company associated with Mr. Haakman, in respect of services provided to the Company by Mr. Haakman as a Director. Payments made to Mr. Haakman during the three-month period ended September 30, 2014 totalling \$165,000 comprised fees paid to Dussman Pty. Ltd. in respect of services provided to the Company in relation to its capital raising in July 2014.
5. Payments made to Mr. Holland during the three-month period ended September 30, 2015 totalling \$15,000 (as disclosed above under the heading "Other") comprised fees paid to Jackabbey Road Pty. Ltd., a company associated with Mr. Holland, in respect of services provided to the Company by Mr. Holland as a Director.
6. Mr. Cook was appointed as a Director of the Company on November 20, 2013 and subsequently as the Non-Executive Chairman of the Board on January 31, 2014. He resigned from the Board on September 12, 2014.
7. Ms. Jurd was appointed as Chief Commercial Officer on September 8, 2015.
8. Payments made to Mr. Southerland during the three-month period ended September 30, 2015 totalling \$7,605 (as disclosed above under the heading "Other") comprised social security payments and reimbursement of medical insurance premiums.
9. Payments made to Mr. Cornish during the three-month period ended September 30, 2015 totalling \$69,000 (as disclosed above under the heading "Other") comprised fees paid to Healthy Holdings Pty. Ltd., a company associated with Mr. Cornish, in respect of sales and marketing services provided to the Company by Mr. Cornish. Mr. Cornish resigned as Director, Sales and Marketing Australia and New Zealand on October 1, 2015.

Apart from the above, there were no other transactions between the Company and any related parties during the three-month period ended September 30, 2015.

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

### **Critical accounting estimates and assumptions**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of certain assets and liabilities within the next annual reporting period are set out below.

#### *Share-based payments transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the value of the equity instruments at the date on which they are granted. The fair value is determined by an independent valuer using a Black-Scholes options pricing model.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont.)

### Critical judgements in applying the Group's accounting policies

#### *Research and development costs*

An intangible asset arising from development expenditure on an internal project is recognized only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

To date, all development costs have been expensed as incurred as their recoverability cannot be regarded as assured. In addition to the costs incurred by the Company's research and development group are also included. The costs of research and development are expensed in full in the period in which they are incurred. The Group will only capitalize its development expenses when specific milestones are met and when the Group is able to demonstrate that future economic benefits are probable.

#### *Reverse Takeover*

The Company's acquisition of Simavita Holdings Limited on December 3, 2013 is assessed to be an asset acquisition and not a business combination under IFRS 3 *Business combinations*, as the Company has been deemed not to have been operating a business at that time for accounting purposes.

## CHANGES IN ACCOUNTING POLICIES

The following standards have been adopted for the first time for the period beginning on or after October 1, 2015:

- IAS 32 *Financial Instruments: Presentation* has been amended to clarify the requirements for offsetting financial assets and liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the group financial statements.
- IAS 36 *Impairment of Assets* has been amended to require additional disclosures in the event of recognizing an impairment of assets. The Group did not recognize an impairment of assets as at or during the three-month period September 30, 2015 and, as a result, the adoption of this amendment did not impact the Company's financial statement disclosures.
- IFRIC 21 *Levies* sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 "Provisions". The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. The Group is not currently subjected to significant levies so the impact on the Group is not material.

The following standards and amendments to standards and interpretations are effective for annual periods beginning after October 1, 2015 and have not been applied in preparing these consolidated financial statements:

- IFRS 15 *Revenue from Contracts with Customers* provides clarification for recognizing revenue from contracts with customers and establishes a single revenue recognition and measurement framework that applies to contracts with customers. The new standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. Management is currently assessing the potential impact of the adoption of IFRS 15 on the Company's financial statements.
- IFRS 9 *Financial Instruments* is intended to replace IAS 39 *Financial Instruments: Recognition and Measurement* and uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial liabilities designated at fair value through profit or loss, a company can recognize the portion of the change in fair value related to the change in the company's own credit risk through other comprehensive income rather than profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39, and incorporates new hedge accounting requirements. The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company only invests in cash deposits with large banks that are considered to be low risk.

## OTHER MD&A REQUIREMENTS

### Additional Disclosure for Venture Issuers without Significant Revenue

Details pertaining to the expenses incurred by the Company during the three-month period ended September 30, 2015 are provided above under the heading *Discussion of Operations*. Prior to its acquisition of Simavita Holdings Limited, no external investor relations activities were carried out by the Company.

The Company maintains a web site at [www.simavita.com](http://www.simavita.com) which provides shareholders with the opportunity to review published financial reports, news releases, corporate profiles, project details and other information.

The material expenses incurred by the Group during the three-month periods ended September 30, 2015 and September 30, 2014, as disclosed in the Condensed Consolidated Interim Statement of Comprehensive Loss, contain the following items:

	Sept. 30, 2015	Sept. 30, 2014
	\$	\$
<b>General and administration</b>		
Employee benefits	(529,624)	(497,113)
Travel	(121,650)	(217,444)
Consultants fees	(63,041)	(126,913)
Insurance	(60,555)	(26,205)
Legal expenses	(32,235)	(1,517)
Depreciation and amortization	(35,201)	(26,942)
Other	(216,007)	(189,273)
	<u>(1,058,313)</u>	<u>(1,085,407)</u>
<b>Research and development</b>		
Employee benefits	(482,730)	(319,586)
Patent and R&D support and development fees	(147,392)	(199,593)
	<u>(630,122)</u>	<u>(519,179)</u>
<b>Sales, marketing and distribution</b>		
Employee benefits	(892,914)	(411,172)
Travel	(128,401)	(14,301)
Consultants fees	(82,376)	-
Marketing and advertising	(140,240)	(23,274)
Other	(89,783)	-
	<u>(1,333,714)</u>	<u>(448,747)</u>

## OUTSTANDING SHARE DATA

### Summary of shares issued and outstanding

	<u>Number of common shares</u>	<u>Amount \$</u>
Balance at July 1, 2014	65,653,326	43,935,952
Issue of common shares for cash	6,502,216	2,925,997
Issue of common shares for cash under Share Purchase Plan	1,572,201	707,500
Equity transaction costs	-	(226,173)
Balance at September 30, 2014	<u>73,727,743</u>	<u>47,343,276</u>
Balance at July 1, 2015	92,245,233	55,330,848
Issue of common shares for cash	-	-
Equity transaction costs	-	-
Balance at September 30, 2015	<u>92,245,233</u>	<u>55,330,848</u>

As of the date of this MD&A, being November 20, 2015, there was a total of 92,245,233 common shares in the Company on issue, of which a total of 32,850,203 were held as common shares and 59,395,030 were held as CDIs.

### Summary of warrants outstanding

As of the date of these financial statements, being November 20, 2015, the following warrants had been granted as part of the Company's capital raisings:

Number	Exercise price	Grant date	Expiry date	Fair value
1,154,245	\$0.41	January 31, 2014	December 3, 2016	\$0.167

As of the date of this MD&A, being November 20, 2015, the following warrants had been granted to Medline Industries, Inc. ("Medline") as part of the Company's distribution arrangements with that company:

Tranche	Number	Exercise price	Grant date	Expiry date	Fair value
Tranche One	1,155,298	CAD\$0.42	January 31, 2014	December 6, 2018	\$0.206
Tranche Two	1,444,412	(refer note 1)	January 1, 2015	January 1, 2018	N/A
Tranche Three	1,444,412	(refer note 2)	January 1, 2016	January 1, 2018	N/A

- Tranche Two has an exercise price equal to the greater of (i) CAD\$0.504, as may be adjusted; or (ii) the volume-weighted average closing price of the common shares on the Toronto Stock Exchange and each other stock exchange upon which the Company's common shares are traded for the 30 days prior to the date of exercise.
- Tranche Three has an exercise price equal to the greater of: (i) CAD\$0.604, as may be adjusted; or (ii) the volume-weighted average closing price of the common shares on the Toronto Stock Exchange and each other stock exchange upon which the Company's common shares are traded for the 30 days prior to the date of exercise.

The right to purchase common shares in Tranches Two and Three are subject to the condition precedent that Medline meets the Extended Sales Volumes for the Contract Year (as defined in the Distribution Agreement). All warrants vested immediately on the date of grant.



## OUTSTANDING SHARE DATA (cont.)

### Summary of options outstanding

As of the date of this MD&A, being November 20, 2015, a total of 10,833,164 options over common shares in the Company were outstanding.

The numbers of options outstanding as at September 30, 2015, including the respective dates of expiry and exercise prices, are tabled below. The options are not listed on the TSX-V or the ASX.

Number	Exercise price	Grant date	Expiry date	Fair value
1,469,166	\$0.41	January 31, 2014	December 3, 2016	\$0.167
2,469,166	\$0.52	January 31, 2014	December 3, 2016	\$0.137
1,469,166	\$0.65	January 31, 2014	December 3, 2016	\$0.110
1,469,166	\$0.82	January 31, 2014	December 3, 2016	\$0.086
500,000	\$0.62	October 28, 2014	July 1, 2017	\$0.187
1,023,500	\$0.70	August 19, 2014	July 31, 2018	\$0.267
1,490,000	\$0.68	April 9, 2015	March 31, 2019	\$0.145
100,000	\$0.51	April 9, 2015	March 31, 2019	\$0.190
200,000	\$0.63	April 9, 2015	March 31, 2019	\$0.156
200,000	\$0.76	April 9, 2015	March 31, 2019	\$0.128
193,000	\$0.70	July 7, 2015	June 30, 2019	\$0.183
250,000	\$0.50	September 18, 2015	September 18, 2018	\$0.109

## DIRECTORS AND OFFICERS

As of the date of this MD&A, being November 20, 2015, the names of the Directors and Officers of the Company are set out below.

Michael W. Brown	Chairman
Philippa M. Lewis	Director and CEO
Ari B. Bergman	Director
Warren R. Bingham	Director
Damien M. Haakman	Director
Craig J. Holland	Director
Thomas G. Howitt	CFO and Secretary

The Company is dependent on a number of key Directors and Officers. Loss of any of those persons could have an adverse effect on the Company. The Company maintains “key-man” insurance in respect of Mrs. Lewis as CEO.

## FORWARD-LOOKING STATEMENTS

This MD&A contains “forward-looking information” within the meaning of the Canadian securities laws. Forward-looking statements in this document include statements regarding possible future acquisitions, spending plans, possible financing plans, current strategies and ongoing adjustments to these strategies providing the potential for revenue opportunities such as potential new products leveraging off the Company’s underling platform technology; revenue growth in the next fiscal year; the use of proceeds from the recent financings; the Company’s strategy, future operations, prospects and plans of management; and estimates of the length of time the Company’s business will be funded by anticipated financial resources. In connection with the forward-looking information contained in this MD&A, the Company has made numerous assumptions, regarding, among other things, the timing and quantum of revenue generated through sales of the Company’s products; the outcome of the collaborations with third parties, the sufficiency of budgeted expenditures in carrying out planned activities; the availability and cost of labour and services; the use of pilot sites of the Company’s SIM™ solution leading to further negotiations with a number of potential users of the Group’s products; and expected growth of sales. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements.

## **FORWARD-LOOKING STATEMENTS (cont.)**

Additionally, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Factors that could cause actual results to differ materially from those in forward-looking statements include general economic, market or business conditions; the partnerships and collaborations with third parties may not benefit the Company as currently anticipated, or at all; the Company may not be able to sustain or increase revenues achieved during the current reporting period; the Company may not adopt successful distribution strategies or marketing methods; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; unpredictability of the commercial success of our products; competition in the global economic market; reliance on a number of key employees; limited operating history; the possibility of claims against the intellectual property rights of the Company; the possibility of infringements upon the intellectual property rights of the Company; the Company may not have sufficiently budgeted for expenditures necessary to carry out planned activities; future operating results are uncertain and likely to fluctuate; the Company may not have the ability to raise additional financing required to carry out its business objectives on commercially acceptable terms, or at all; and volatility of the market price of the Company's shares. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made.

A more complete discussion of the risks and uncertainties facing the Company is disclosed in the Company's continuous disclosure filings with Canadian securities regulatory authorities at [www.sedar.com](http://www.sedar.com). All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

The Board of Directors of the Company has approved the disclosure contained in this MD&A. Additional information relating to the Company is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

BY ORDER OF THE BOARD

*"Craig J. Holland"*

CRAIG J. HOLLAND  
*(Chairman, Audit and Risk Committee)*

*"Philippa M. Lewis"*

PHILIPPA M. LEWIS  
*(Director and CEO)*

# SIMAVITA LIMITED

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE LOSS FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

	Notes	Consolidated	
		Sept. 30, 2015	Sept. 30, 2014
		\$	\$
Revenue		203,814	98,693
Cost of sales		<u>(83,244)</u>	<u>(33,333)</u>
Gross profit		120,570	65,360
Other revenue	5	44,951	46,983
Expenses			
General and administration		(1,058,313)	(1,085,407)
Occupancy costs		(94,904)	(93,325)
Research and development		(630,122)	(519,179)
Sales, marketing and distribution		(1,333,714)	(448,747)
Share-based payments expense		<u>(62,569)</u>	<u>(330,413)</u>
Loss before income tax		(3,014,101)	(2,364,728)
Income tax benefit	8	<u>337,500</u>	-
Loss for the period		(2,676,601)	(2,364,728)
Other comprehensive income			
Items that may be subsequently reclassified to profit/(loss)			
Translation of foreign operations		<u>92,768</u>	-
Total comprehensive loss for the period		<u>(2,583,833)</u>	<u>(2,364,728)</u>
Basic and diluted loss per common share	7	(0.03)	(0.03)

The accompanying notes form an integral part of these consolidated financial statements

# SIMAVITA LIMITED

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2015

		Consolidated	
	Notes	Sept. 30, 2015	June 30, 2015
		\$	\$
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	10	6,101,398	9,027,722
Trade and other receivables	11	1,929,189	1,612,614
Inventories		476,056	345,912
Other assets		177,811	159,534
Total Current Assets		8,684,454	11,145,782
Non-Current Assets			
Property, plant and equipment		200,307	204,488
Intangible assets		74,001	66,539
Total Non-Current Assets		274,308	271,027
Total Assets		8,958,762	11,416,809
<b>Liabilities and Shareholders' Equity</b>			
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	12	894,685	857,970
Provisions		322,062	298,466
Total Current Liabilities		1,216,747	1,156,436
Non-Current Liabilities			
Provisions		72,292	69,386
Total Non-Current Liabilities		72,292	69,386
Total Liabilities		1,289,039	1,225,822
<b>Shareholders' Equity</b>			
Share capital	13	55,330,848	55,330,848
Reserves	14	3,633,404	3,478,067
Retained losses	15	(51,294,529)	(48,617,928)
Total Shareholders' Equity		7,669,723	10,190,987
Total Liabilities and Shareholders' Equity		8,958,762	11,416,809

Approved and authorized by the Board on November 20, 2015

*"Craig J. Holland"*

CRAIG J. HOLLAND  
(Chairman, Audit and Risk Committee)

*"Philippa M. Lewis"*

PHILIPPA M. LEWIS  
(Director and CEO)

The accompanying notes form an integral part of these consolidated financial statements

# SIMAVITA LIMITED

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

	Share capital	Reserves	Retained losses	Totals
	\$	\$	\$	\$
Balance at July 1, 2014	43,935,952	2,749,530	(39,154,719)	7,530,763
Net loss for the period	-	-	(2,364,728)	(2,364,728)
Movement in share-based payments reserve	-	330,413	-	330,413
Total comprehensive income/(loss) for the period	-	330,413	(2,364,728)	(2,034,315)
<i>Transactions with owners</i>				
Issue of common shares for cash	3,633,497	-	-	3,633,497
Equity transaction costs	(226,173)	-	-	(226,173)
Total transactions with owners	3,407,324	-	-	3,407,324
Balance at September 30, 2014	47,343,276	3,079,943	(41,519,447)	8,903,772
Balance at July 1, 2015	55,330,848	3,478,067	(48,617,928)	10,190,987
Net loss for the period	-	-	(2,676,601)	(2,676,601)
Movement in share-based payments reserve	-	62,569	-	62,569
Other comprehensive income, net of tax	-	92,768	-	92,768
Total comprehensive income/(loss) for the period	-	155,337	(2,676,601)	(2,521,264)
<i>Transactions with owners</i>				
Issue of common shares for cash	-	-	-	-
Equity transaction costs	-	-	-	-
Total transactions with owners	-	-	-	-
<b>Balance at September 30, 2015</b>	<b>55,330,848</b>	<b>3,633,404</b>	<b>(51,294,529)</b>	<b>7,669,723</b>

The accompanying notes form an integral part of these consolidated financial statements

# SIMAVITA LIMITED

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

	Notes	Consolidated	
		Sept. 30, 2015	Sept. 30, 2014
		\$	\$
<b>Cash flows from/(used in) operating activities</b>			
Loss for the period		(2,676,601)	(2,364,728)
<i>Non-cash items</i>			
Depreciation and amortization		35,201	26,942
Share-based payments expense		62,569	330,413
Unrealised foreign exchange movements		58,299	-
<i>Changes in assets and liabilities</i>			
(Increase)/decrease in receivables		(316,575)	2,662
(Increase)/decrease in inventories		(130,144)	13,498
(Increase)/decrease in other assets		(18,277)	(78,873)
Increase/(decrease) in payables		36,715	(510,891)
Increase/(decrease) in provisions		26,505	44,096
Net cash flows from/(used in) operating activities		<u>(2,922,308)</u>	<u>(2,536,881)</u>
<b>Cash flows from/(used in) investing activities</b>			
Purchases of plant and equipment		(25,022)	(81,490)
Purchases of intangible assets		(13,463)	-
Net cash flows from/(used in) investing activities		<u>(38,485)</u>	<u>(81,490)</u>
<b>Cash flows from/(used in) financing activities</b>			
Proceeds from the issue of shares by the Company		-	3,633,497
Equity transaction costs		-	(226,173)
Net cash flows from/(used in) financing activities		<u>-</u>	<u>3,407,324</u>
Net increase in cash and cash equivalents held		(2,960,793)	788,953
Cash and cash equivalents at the beginning of period		9,027,722	6,844,197
Net foreign exchange differences on cash and cash equivalents		34,469	-
<b>Cash and cash equivalents at the end of period</b>	10	<u><u>6,101,398</u></u>	<u><u>7,633,150</u></u>

The accompanying notes form an integral part of these consolidated financial statements

# SIMAVITA LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

### 1. Nature and continuance of operations

Simavita Limited (the “Company”) was incorporated under the laws of the Yukon Territory on May 28, 1968 and continued under the laws of the Province of British Columbia, Canada on December 3, 2013.

These condensed consolidated interim financial statements of the Company as at and for the three-month period ended September 30, 2015 comprise Simavita Limited and its subsidiaries (together referred to as the “Group” and individually as “Group Entities”) and have been prepared in accordance with IFRS, as applicable to the preparation of interim financial statements including IAS 34 “Interim Financial Reporting”, and should be read in conjunction with the financial statements for the year ended June 30, 2015 which have been prepared in accordance with IFRS, as issued by the IASB. Simavita Limited is the ultimate parent entity of the Group.

The Group’s operations focus on the sale and distribution of an expanding range of innovative products derived from its proprietary incontinence assessment and management technology, SIM™, with an initial emphasis on the US and European marketplaces, through existing distribution arrangements, and also in Australia. Simavita’s operations are located in North Sydney, Australia.

### 2. Qualifying transaction and reverse takeover

On December 3, 2013, the Company completed a reverse takeover qualifying transaction (“Reverse Takeover”) in accordance with TSX Venture Exchange Inc. (“TSX-V”) Policy 2.4 whereby the Company acquired all the issued shares of Simavita Holdings Limited on the basis of one share in the Company for one share in Simavita Holdings. Legally, the Company is the parent of Simavita Holdings. However, as a result of the above share exchange, control of the Group passed to the former shareholders of Simavita Holdings which, for accounting purposes, is deemed to be the acquirer. There has been no change in the accounting treatment used in the preparation of these consolidated financial statements.

### 3. Summary of significant accounting policies

#### (a) Basis of preparation

The accounting policies adopted are consistent with those in the previous financial year except as described below:

1. No new accounting standards are applicable for the current reporting period.
2. Other amendments to IFRS effective for the financial year ending June 30, 2016 are not expected to have a material impact to the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to be expected total annual profit or loss.

#### *Going concern*

During the three-month period ended September 30, 2015, the Group incurred a total comprehensive loss after income tax of \$2,676,601 (2014: \$2,364,728) and net cash outflows from operations of \$2,922,308 (2014: \$2,536,881). As at September 30, 2015, the Group held total cash and cash equivalents of \$6,101,398 (June 2015: \$9,027,722).

Revenue for the three-month period ended September 30, 2015 of \$203,814 was 107% higher than the figure for the corresponding period. During the remainder of the 2016 financial year, the Company plans to further increase sales of its SIM™ solution through both direct sales and sales made via agreements with distributors in Australia, North America and Europe. There is uncertainty around both the timing of these sales and the rate of growth of SIM™ in these markets and, therefore, uncertainty around the ability of the Company to fund expected cash outflows from operations in the 2016 financial year.

### 3. Summary of significant accounting policies (cont.)

#### (a) Basis of preparation (cont.)

The continuing viability of the Company and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon some or all of the following events occurring:

- The Company successfully raising further capital from the issue of new common shares/CDIs; and
- Increasing sales of the Company's SIM™ solution in Australia, North America and Europe; or
- Various cost containment and deferment strategies.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Directors believe that the Company will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis.

#### (b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and the entities it controlled, being Simavita Holdings Limited, Simavita (Aust.) Pty. Ltd., Simavita US, Inc. and Fred Bergman Healthcare Pty. Ltd. A Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. These consolidated financial statements are prepared using the principles of reverse takeover accounting as described in Note 2. Intracompany balances and transactions, including any unrealized income and expenses arising from any intracompany transactions, are eliminated in preparing the consolidated financial statements. The functional and presentation currency of the Company and its subsidiaries is the Australian dollar (AUD).

#### (c) Changes in accounting policies

The following standards have been adopted by the Group for the first time for the financial year beginning on or after October 1, 2015:

- IAS 32 *Financial Instruments: Presentation* has been amended to clarify the requirements for offsetting financial assets and liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group's financial statements.
- IAS 36 *Impairment of Assets* has been amended to require additional disclosures in the event of recognizing an impairment of assets. The Group did not recognize an impairment of assets as at or during the three-month period ended September 30, 2015 and, as a result, the adoption of this amendment did not impact the Company's financial statement disclosures.
- IFRIC 21 *Levies* sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 "Provisions". The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. The Group is not currently subjected to significant levies so the impact on the Group is not material.

#### (d) Impact of standards issued but not yet applied by the entity

The following standards and amendments to standards and interpretations are effective for periods beginning after October 1, 2015 and have not been applied in preparing these consolidated financial statements:

- IFRS 15 *Revenue from Contracts with Customers* provides clarification for recognizing revenue from contracts with customers and establishes a single revenue recognition and measurement framework that applies to contracts with customers. The new standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. Management is currently assessing the potential impact of the adoption of IFRS 15 on the Company's financial statements.



### 3. Summary of significant accounting policies (cont.)

#### (d) Impact of standards issued but not yet applied by the entity (cont.)

- IFRS 9 *Financial Instruments* is intended to replace IAS 39 *Financial Instruments: Recognition and Measurement* and uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial liabilities designated at fair value through profit or loss, a company can recognize the portion of the change in fair value related to the change in the company's own credit risk through other comprehensive income rather than profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39, and incorporates new hedge accounting requirements. The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

### 4. Critical accounting estimates and judgments

Estimates and judgements are evaluated and based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

#### (a) Critical accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of certain assets and liabilities within the next annual reporting period are set out below.

##### *Share-based payments transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the value of the equity instruments at the date on which they are granted. The fair value is determined by an independent valuer using a Black-Scholes options pricing model.

#### (b) Critical judgements in applying the Group's accounting policies

##### *Research and development costs*

An intangible asset arising from development expenditure on an internal project is recognized only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

To date, all development costs have been expensed as incurred as their recoverability cannot be regarded as assured. In addition, the costs incurred by the Company's research and development group are also included. The costs of research and development are expensed in full in the period in which they are incurred. The Group will only capitalize its development expenses when specific milestones are met and when the Group is able to demonstrate that future economic benefits are probable.

##### *Reverse Takeover*

The Company's acquisition of Simavita Holdings Limited on December 3, 2013 is assessed to be an asset acquisition and not a business combination under IFRS 3 *Business combinations*, as the Company has been deemed not to have been operating a business at that time for accounting purposes.

#### Consolidated

	Sept. 30, 2015	Sept. 30, 2014
	\$	\$

### 5. Other revenue

Interest revenue	42,732	46,983
Miscellaneous revenue	2,219	-
Total other revenue	44,951	46,983

	Consolidated	
	Sept. 30, 2015	Sept. 30, 2014
	\$	\$

## 6. Expenses

Depreciation of fixed assets	29,202	21,735
Amortization of intangible assets	<u>5,999</u>	<u>5,207</u>
Total depreciation and amortization	<u>35,201</u>	<u>26,942</u>
Employee benefits expenses	1,905,268	1,224,559
Research and development expenses (excluding employee benefits)	147,392	199,592

Note: Employee benefits expenses represent all salaries, bonuses and associated on-costs attributable to employees of the Group, which have been allocated across their respective functions in the statement of comprehensive loss.

## 7. Loss per share

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

Loss for the year attributable to the owners of Simavita Limited	<u>(2,676,601)</u>	<u>(2,364,728)</u>
Weighted average number of shares used in calculating loss per share	<u>92,245,233</u>	<u>71,154,577</u>

Note: None of the 14,587,119 (June 2015: 14,144,119) options and warrants over the Company's ordinary shares that were outstanding as at the reporting date are considered to be dilutive for the purposes of calculating diluted earnings per share.

## 8. Income tax

Simavita Holdings Limited (the "Head Entity") and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. As at September 30, 2015, the Group had not yet generated a profit from the commercialization of its intellectual property. Accordingly, no deferred tax assets arising from carried forward losses and temporary differences have yet been recognized. The effective tax rate in Australia is 30%.

Subject to the Group continuing to meet the relevant statutory tests, tax losses are available for offset against future taxable income. As at June 30, 2015, there are unrecognized tax losses with a benefit of approximately \$10,416,140 (June 2014: \$8,014,001) that have not been recognized as a deferred tax asset to the Group. These unrecognized deferred tax assets will only be obtained if:

- (a) The Group companies derive future assessable income of a nature and amount sufficient to enable the benefits to be realized;
- (b) The Group companies continue to comply with the conditions for deductibility imposed by the law; and
- (c) No changes in tax legislation adversely affect the Group companies from realizing the benefit.

## 9. Dividends and distributions

No dividends have been paid since the end of the previous financial year, nor have the Directors recommended that any dividend be declared or paid in the foreseeable future. Rather, the Company intends to retain any earnings to finance its future growth and development.

Any future payment of cash dividends will be dependent upon, amongst other things, the Company's future earnings, financial condition, capital requirements, and such other factors as the Board of Directors may deem relevant at that time.

	Consolidated	
	Sept. 30, 2015	June 30, 2015
	\$	\$

## 10. Cash and cash equivalents

Cash at bank and on hand	1,101,398	4,027,722
Short-term deposits	5,000,000	5,000,000
Total cash and cash equivalents	<u>6,101,398</u>	<u>9,027,722</u>

## 11. Trade and other receivables

Trade receivables	151,311	169,459
GST receivable	88,747	91,571
Accrued interest receivable	12,047	12,000
Research and development tax concession receivable	1,677,084	1,339,584
Total trade and other receivables	<u>1,929,189</u>	<u>1,612,614</u>

Note: Trade and other receivables for the Group include amounts due in Australian dollars of \$1,893,520 (June 2015: \$1,584,806), US dollars of USD 3,433 (June 2015: Nil) and European Euros of EUR 19,083 (June 2015: EUR 19,192). Refer Note 20 for details of aging, interest rate and credit risks applicable to trade and other receivables for which, due to their short-term nature, their carrying value approximates their fair value.

## 12. Trade and other payables

Trade payables	379,901	273,313
GST payable	10,057	9,494
Accrued expenses	251,493	165,854
Payroll-related payables	191,214	369,135
Other payables	62,020	40,174
Total trade and other payables	<u>894,685</u>	<u>857,970</u>

Note: Trade and other payables for the Group include amounts due in Australian dollars of \$733,151 (June 2015: \$814,784), US dollars of USD 82,035 (June 2015: USD 16,657), Canadian dollars of CAD 3,146 (June 2015: CAD 17,322), British Pounds of GBP 130 (June 2015: Nil) and European euros of EUR 27,074 (June 2015: EUR 2,210). Refer Note 20 for details of contractual maturity and management of interest rate, foreign exchange and liquidity risks applicable to trade and other payables for which, due to their short-term nature, their carrying value approximates their fair value.

## 13. Share capital

### Summary of common shares issued and outstanding

	Number of common shares	Amount \$
Balance at July 1, 2014	65,653,326	43,935,952
Issue of common shares for cash	6,502,216	2,925,997
Issue of common shares for cash under Share Purchase Plan	1,572,201	707,500
Equity transaction costs	-	(226,173)
Balance at September 30, 2014	<u>73,727,743</u>	<u>47,343,276</u>
Balance at July 1, 2015	92,245,233	55,330,848
Issue of common shares for cash	-	-
Equity transaction costs	-	-
Balance at September 30, 2015	<u>92,245,233</u>	<u>55,330,848</u>

### 13. Share capital (cont.)

As of the date of these financial statements, being November 20, 2015, there was a total of 92,245,233 common shares in the Company on issue, of which a total of 32,850,203 were held as common shares and 59,395,030 were held as CDIs.

#### Summary of warrants outstanding

As of the date of these financial statements, being November 20, 2015, the following warrants had been granted as part of the Company's capital raisings:

Number	Exercise price	Grant date	Expiry date	Fair value
1,154,245	\$0.41	January 31, 2014	December 3, 2016	\$0.167

As of the date of these financial statements, being November 20, 2015, the following warrants had been granted to Medline Industries, Inc. ("Medline") as part of the Company's distribution arrangements with that company:

Tranche	Number	Exercise price	Grant date	Expiry date	Fair value
Tranche One	1,155,298	CAD\$0.42	January 31, 2014	December 6, 2018	\$0.206
Tranche Two	1,444,412	(refer note 1)	January 1, 2015	January 1, 2018	N/A
Tranche Three	1,444,412	(refer note 2)	January 1, 2016	January 1, 2018	N/A

- Tranche Two has an exercise price equal to the greater of (i) CAD\$0.504, as may be adjusted; or (ii) the volume-weighted average closing price of the common shares on the Toronto Stock Exchange and each other stock exchange upon which the Company's common shares are traded for the 30 days prior to the date of exercise.
- Tranche Three has an exercise price equal to the greater of: (i) CAD\$0.604, as may be adjusted; or (ii) the volume-weighted average closing price of the common shares on the Toronto Stock Exchange and each other stock exchange upon which the Company's common shares are traded for the 30 days prior to the date of exercise.

The right to purchase common shares in Tranches Two and Three are subject to the condition precedent that Medline meets the Extended Sales Volumes for the Contract Year (as defined in the Distribution Agreement). All warrants vested immediately on the date of grant.

#### Summary of options outstanding

As at September 30, 2015, a total of 10,833,164 options over common shares in the Company were outstanding.

The numbers of options outstanding as at September 30, 2015, including the respective dates of expiry and exercise prices, are tabled below. The options are not listed on the TSX-V or the ASX.

Number	Exercise price	Grant date	Expiry date	Fair value
1,469,166	\$0.41	January 31, 2014	December 3, 2016	\$0.167
2,469,166	\$0.52	January 31, 2014	December 3, 2016	\$0.137
1,469,166	\$0.65	January 31, 2014	December 3, 2016	\$0.110
1,469,166	\$0.82	January 31, 2014	December 3, 2016	\$0.086
500,000	\$0.62	October 28, 2014	July 1, 2017	\$0.187
1,023,500	\$0.70	August 19, 2014	July 31, 2018	\$0.267
1,490,000	\$0.68	April 9, 2015	March 31, 2019	\$0.145
100,000	\$0.51	April 9, 2015	March 31, 2019	\$0.190
200,000	\$0.63	April 9, 2015	March 31, 2019	\$0.156
200,000	\$0.76	April 9, 2015	March 31, 2019	\$0.128
193,000	\$0.70	July 7, 2015	June 30, 2019	\$0.183
250,000	\$0.50	September 18, 2015	September 18, 2018	\$0.109

	Consolidated	
	Sept. 30, 2015	June 30, 2015
	\$	\$
<b>14. Reserves</b>		
Share-based payments reserve	3,055,245	2,992,676
Share capital reserve	499,445	499,445
Foreign currency reserve	78,714	(14,054)
Total reserves	<u>3,633,404</u>	<u>3,478,067</u>

#### 15. Retained losses

Balance at the beginning of the period	(48,617,928)	(39,154,719)
Add: net loss attributable to owners of Simavita Limited	<u>(2,676,601)</u>	<u>(9,463,209)</u>
Balance at the end of the period	<u>(51,294,529)</u>	<u>(48,617,928)</u>

#### 16. Commitments and contingencies

##### Operating lease expenditure commitments

##### Minimum operating lease payments

- not later than one year	189,053	192,134
- later than one year but not later than five years	273,370	299,785
- later than five years	-	-
Total minimum operating lease payments	<u>462,423</u>	<u>491,919</u>

As at September 30, 2015, the Group had entered into two operating leases relating to the following premises:

Location	Landlord	Use	Date of expiry of lease	Minimum payments (\$)
Level 13, 54 Miller Street North Sydney, NSW 2060 Australia	54 Miller Street Pty. Ltd.	Office	June 30, 2018	425,943
Level 40, 140 William Street Melbourne, Victoria 3000 Australia	ServCorp Pty. Ltd.	Office	May 31, 2016	36,480
			Total	<u>462,423</u>

#### 17. Segment information

##### Identification of reportable segments

The Group has identified one reportable business segment based on the similarity of the products produced and sold and/or the services provided, being the sale of products and services associated with the assessment and management of urinary incontinence, as this represents the source of the Group's major risks and has the greatest effect on the rates of return.

The Group has identified three reportable geographic segments, being Australia, North America and Europe, based on the jurisdiction where the sales and marketing associated with such products occurs.

The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

Consolidated	
Sept. 30, 2015	Sept. 30, 2014
\$	\$

## 17. Segment information (cont.)

### Business segment

#### Statement of Comprehensive Loss

Sales	203,814	98,693
Other revenue	44,951	46,983
Totals	<u>248,765</u>	<u>145,676</u>
Loss for the period	<u>(2,676,601)</u>	<u>(2,364,728)</u>
Amortization and depreciation	<u>(35,201)</u>	<u>(26,942)</u>

Consolidated	
Sept. 30, 2015	June 30, 2015
\$	\$

#### Statement of Financial Position

Total assets	<u>8,958,762</u>	<u>11,416,809</u>
Total liabilities	<u>(1,289,039)</u>	<u>(1,225,822)</u>

### Geographic information

*Australia* – includes sales and marketing activities and the location of the Company's operations.

*North America* – includes sales and marketing activities.

*Europe* – includes sales and marketing activities.

Consolidated	
Sept. 30, 2015	Sept. 30, 2014
\$	\$

### Geographic segments

#### Statement of Comprehensive Loss

##### *Australia*

Sales	164,303	98,693
Other revenue	44,951	46,983
Totals	<u>209,254</u>	<u>145,676</u>
Loss for the period	<u>(2,000,514)</u>	<u>(2,253,671)</u>
Amortization and depreciation	<u>(35,088)</u>	<u>(26,804)</u>

##### *North America*

Sales	4,749	-
Other revenue	-	-
Totals	<u>4,749</u>	<u>-</u>
Loss for the period	<u>(620,107)</u>	<u>(111,057)</u>
Amortization and depreciation	<u>(113)</u>	<u>(138)</u>

Consolidated	
Sept. 30, 2015	Sept. 30, 2014
\$	\$

## 17. Segment information (cont.)

### Europe

Sales	34,762	-
Other revenue	-	-
Totals	<u>34,762</u>	<u>-</u>
Loss for the period	<u>(55,980)</u>	<u>-</u>
Amortization and depreciation	<u>-</u>	<u>-</u>

### Totals

Sales	203,814	98,693
Other revenue	44,951	46,983
Totals	<u>248,765</u>	<u>145,676</u>
Loss for the period	<u>(2,676,601)</u>	<u>(2,364,728)</u>
Amortization and depreciation	<u>(35,201)</u>	<u>(26,942)</u>

Statement of Financial Position	Assets		Liabilities	
	Sept. 30, 2015	June 30, 2015	Sept. 30, 2015	June 30, 2015
	\$	\$	\$	\$
<i>Australia</i>	8,900,121	11,381,567	1,258,675	1,200,286
<i>North America</i>	58,641	35,242	30,364	25,536
<i>Europe</i>	-	-	-	-
Totals	<u>8,958,762</u>	<u>11,416,809</u>	<u>1,289,039</u>	<u>1,225,822</u>

There were no intersegment sales. Included in the above figures are the following intersegment balances:

Consolidated	
Sept. 30, 2015	June 30, 2015
\$	\$

Loans payable (North America) and loans receivable (Australia)	1,945,053	1,334,656
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### Segment products and locations

The principal geographic segment is Australia, with the Company's headquarters being located in North Sydney in the State of New South Wales.

### Segment accounting policies

Segment information is prepared in conformity with the accounting policies of the entity and Accounting Standard *IFRS 8 (AASB 8) Operating Segments*. As a result, the primary reporting segments reflect more closely the information that Management uses to make decisions about operating matters. Interest received and finance costs are allocated under the heading *Australia* as they are not part of the core operations of any other geographical segment.

### Major customers

The Group has a number of major customers to which it provides both products and services. During the three-month period ended September 30, 2015, there were two customers from whom the Group generated revenues representing more than 10% of the total consolidated revenue from operations. During the three-month period ended September 30, 2014, there were no such customers.

## 18. Auditors' remuneration

Name of Auditor	Year	Audit services	Other assurance services	Other services	Totals
		\$	\$	\$	\$
PricewaterhouseCoopers	2015	4,220	-	-	4,220
	2014	-	-	-	-
Total auditors' remuneration	2015	4,220	-	-	4,220
	2014	-	-	-	-

## 19. Financial risk management

The Group's activities expose it to a variety of financial risks such as credit risk, market risk (including foreign currency risk and interest rate risk) and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure the different types of risk to which it is exposed.

Risk is managed by the Group's senior management team which (through its executive sponsor) reports to the Group's Audit and Risk Committee (the "Committee"). This Committee operates under guidance provided by the Board of Directors. Management identifies and evaluates risks in close cooperation with the Group's operating units. A detailed Enterprise Risk Plan (the "Plan") was developed during the year ended June 30, 2015 and approved by the Board. This Plan is reviewed by the Group's senior management on a regular basis which (through the executive sponsor) reports at each Audit and Risk Committee meeting.

The Board, via the Committee, provides guidance for overall risk management, as well as policies covering specific areas. The Group's principal financial instruments comprise cash and cash equivalents. The Group also has other financial assets and liabilities, such as trade receivables and payables, which arise directly from its operations.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

The Group holds the following financial instruments:

	Consolidated	
	Sept. 30, 2015	June 30, 2015
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	6,101,398	9,027,722
Trade and other receivables	1,929,189	1,612,614
Performance bond and deposits	177,811	159,534
Total financial assets	<b>8,208,398</b>	10,799,870
<b>Financial liabilities</b>		
Trade and other payables	894,685	857,970
Total financial liabilities	<b>894,685</b>	857,970



## **19. Financial risk management (cont.)**

### **Classification of financial instruments**

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Company's financial assets and liabilities as at September 30, 2015 (as set out above) approximate their carrying values due to the short term nature of these instruments.

## **20. Subsequent events**

There were no events that have occurred subsequent to balance date that have not been disclosed elsewhere in these financial statements.

# SIMAVITA LIMITED

## CORPORATE INFORMATION

### Directors

Michael W. Brown (*Non-Executive Chairman*)

Philippa M. Lewis (*Chief Executive Officer*)

Ari B. Bergman (*Non-Executive*)

Warren R. Bingham (*Non-Executive*)

Damien M. Haakman (*Non-Executive*)

Craig J. Holland (*Non-Executive*)

### Company Secretary

Thomas G. Howitt

### Registered Office

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Canada

### Head Office

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Australia

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Facsimile: +61 2 8088 1301

Email: [customerservice@simavita.com](mailto:customerservice@simavita.com)

### Company website

[www.simavita.com](http://www.simavita.com)

### Australian Registered Business Number

165 831 309

### Banker (Canada)

Bank of Montreal  
595 Burrard Street  
Vancouver BC V7X 1L7  
Canada

### Banker (Australia)

Westpac Banking Corporation  
694-696 Pittwater Road  
Brookvale NSW 2100  
Australia

### Banker (USA)

J.P. Morgan Chase Bank, N.A.  
3700 Wiseman Boulevard  
San Antonio TX 78251  
USA

### Auditor

PricewaterhouseCoopers  
Chartered Accountants  
Freshwater Place  
2 Southbank Boulevard  
Southbank Vic. 3006  
Australia

### Stock Exchanges

TSX Venture Exchange  
Symbol: **SV** (common shares)  
Suite 2700  
650 West Georgia Street  
Vancouver BC V6B 4N9  
Canada

Australian Securities Exchange  
Code: **SVA** (CDIs)  
Level 4, Rialto North Tower  
525 Collins Street  
Melbourne Vic. 3000  
Australia

### Common Share Register

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Website: [www.computershare.com](http://www.computershare.com)

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