



## **ASX ANNOUNCEMENT**

### **Simavita releases ASX Appendix 4C for the quarter ended December 31, 2017**

**For Immediate Release:**

**January 31, 2018**

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**Sydney, Australia** – Simavita Limited (ASX: SVA) today reported its December 31, 2017 quarter end results together with financial highlights for the period.

#### **Highlights included:**

- **Simavita ended the quarter for the period to December 31, 2017 with cash reserves of AUD\$1.7 million. During the quarter, convertible notes were issued totalling \$1.35m before costs. In addition, the Company received net funds of \$215,179 under the Australian Government’s Research and Development Tax Incentive Scheme for the 2017 financial year.**
- **The Company is exploring several opportunities to raise further cash to fund ongoing operations. Based upon confidential discussions, the Company is confident that it will raise these funds. An announcement to the market will be made in accordance with the Company’s continuous disclosure obligations as soon as an agreement has been finalised.**
- **In line with the Company’s PIVOT strategy, Simavita has developed, manufactured and patented, a hyper low cost platform technology. AlertPLUS™ is focused upon a rapidly growing USD21bn per year, adult and infant diaper industry. The Company continues to progress licensing discussions with several major international diaper manufacturers based in North America and Europe. AlertPLUS™ from Simavita delivers:**
  - **A hyper low cost sensor, inserted into all diapers at the time of manufacture**
  - **Automatic detection of wetness events and an alert for carers via a smart device, phone or tablet**
  - **A continuous innovation platform in health care for the aged, disabled and infant markets**
  - **A truly disruptive technology that materially reduces the work load of carers whilst transforming the product delivered by the global diaper industry.**

**In the short term, the Company expects to successfully raise adequate cash to fund operations and to meet its business objectives. Based upon Simavita’s key PIVOT business strategy, the Company expects to rapidly transition to a profitable and valuable business.**

- **The Company continues to reduce cash outflows associated with labour costs. For the current quarter these outflows were \$798k, down 15% from \$935k in the previous**

quarter and down 35% from \$1.22m, for the corresponding period in the previous year.

- As foreshadowed at the Company's recent AGM, cash receipts from direct customer sales for the quarter ended December 31 2017 were \$149k, a reduction of 34% from \$224k the previous quarter and down 39% from \$244k for the corresponding period in the previous year. Simavita has largely made redundant direct sales and support which has impacted sales receipts for the quarter. It is anticipated that this change will also reduce the loss incurred by the Company.
- The Company's sales strategy is to license our AlertPLUS™ platform technology to major manufacturers and to partner AssessPLUS™ with large and successful businesses who have synergistic products and commitment.
- The Company continues to tightly manage ongoing operating costs with total cash outflows for the quarter of \$1.66m, up 11% from the previous quarter of \$1.48m due to one off fees incurred during the period for staff restructuring as well as legal fees associated with the issue of a convertible note. Total cash outflows for the current period are down 21% from \$2.10m for the corresponding period in the previous year. Forecast cash outflows for the coming quarter are \$1.5m.
- The Company confirms that it continues to be in compliance with Listing Rules 3.1 and 12.2.

Michael Spooner, Chairman Simavita Limited said "Over the past 18 months we materially reduced our costs, delivered new and highly innovative products and are well positioned to rapidly move forward. We are now absolutely focused upon partnering discussions and licensing our platform **AlertPLUS™** technology. We are working hard to make the next quarter an exciting period for the Company and our shareholders."

For further information, please view our website ([www.simavita.com](http://www.simavita.com)) or contact:

Ms Peta Jurd  
Chief Commercial Officer

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#### **About Simavita**

Simavita (ASX: SVA) develops and markets advanced systems associated with smart, wearable and disposable sensors for the health care industry. Our first products focus on major unmet needs for the assessment and management of incontinence. The annual global economic burden is billions of dollars for incontinence diapers alone and is increasing rapidly.

Simavita operates in Australia, Europe and North America where there is a significant and growing demand for products that deliver real clinical and cost benefits to the health care industry.

With the support of our shareholders, customers and employees, Simavita is absolutely committed to the business at hand; creating a commercially successful and growing corporation. [www.simavita.com](http://www.simavita.com)

## **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*

+Rule 4.7B

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity <b>SIMAVITA LIMITED</b>
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ARBN 165 831 309
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Quarter ended: 31 December 2017
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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (six months) \$A'000
<b>1 Cash flows from operating activities</b>		
1.1 Receipts from customers	149	373
1.2 Payments for		
(a) research and development	(31)	(53)
(b) product manufacturing and operating costs	(48)	(139)
(c) advertising and marketing	(73)	(144)
(d) leased assets	-	-
(e) staff costs	(798)	(1,733)
(f) administration and corporate costs	(710)	(1,074)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	-	(5)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	964	964
1.8 Other: GST refund	36	90
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(510)</b>	<b>(1,718)</b>
<b>2 Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:	-	-
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3 Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	80
3.2 Proceeds from issue of convertible notes	1,350	1,350
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(29)	(29)
3.5 Proceeds from borrowings	-	695
3.6 Repayment of borrowings	(750)	(750)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-

3.9 Other (provide details if material)

**3.1 Net cash from / (used in) financing activities**

	-	-
	<b>571</b>	<b>1,346</b>

	Current quarter \$A'000	Year to date (six months) \$A'000
<b>4 Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,645	2,072
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(510)	(1,718)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	571	1,346
4.5 Effect of movement in exchange rates on cash held	2	8
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>1,708</b>	<b>1,708</b>

	Current quarter \$A'000	Previous quarter \$A'000
<b>5 Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	1,708	1,645
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,708</b>	<b>1,645</b>

	Current quarter \$A'000
<b>6 Payments to directors of the entity and their associates</b>	
6.1 Aggregate amount of payments to these parties included in item 1.2	75
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	Directors' Fees plus superannuation

	Current quarter \$A'000
<b>7 Payments to related entities of the entity and their associates</b>	
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	None

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<b>8 Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>		
8.1 Loan facilities	None	None
8.2 Credit standby arrangements	None	None
8.3 Other: 2017 R&D tax incentive-Receivable Finance Facility	None	None

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

	\$A'000
<b>9 Estimated cash outflows for next quarter</b>	
9.1 Research and development	(50)
9.2 Product manufacturing and operating costs	(100)
9.3 Advertising and marketing	(100)
9.4 Leased assets	-

9.5 Staff costs	(900)
9.6 Administration and corporate costs	(350)
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b><u><u>(1,500)</u></u></b>

**10 Acquisitions and disposals of business entities  
(items 2.1(b) and 2.2(b) above)**

	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	Not applicable	Not applicable
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

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Company secretary

Date: 31 January 2018  
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Print name: Peta C. Jurd

**Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2 If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.