



ASX ANNOUNCEMENT

Simavita granted ASX waiver in relation to \$1.35m financing by way of secured, convertible notes

For Immediate Release:

28 November, 2017

Sydney, Australia – Further to the Company's announcement on 17 November 2017, the Company has now been granted a waiver by the ASX from ASX Listing Rule 10.1 to the extent necessary to permit the Company to grant security over the assets and undertakings of the Company and its subsidiaries in favour of entities associated with Dussman Pty Ltd ("**Dussman**") and Chevron Corp Pty Ltd ("**Chevron**") under a proposed general security deed (the "**Security**") to be granted in connection with the subscription by Dussman of up to \$800,000 worth of secured notes and the subscription by Chevron of up to \$300,000 worth of secured notes (the "**2017 Secured Notes**").

The Company has now completed all requirements to drawdown under the 2017 Secured Notes and has received full payment of the principal amounts (being in aggregate from all holders of the 2017 Secured Notes \$1.35 million as outlined in the Company's announcement of 17 November 2017). The SVA Board satisfied itself that the entry into the Notes was negotiated on arms' length terms and in the Board's view the terms of the 2017 Secured Notes are fair and reasonable from the perspective of all of the Company's shareholders. As indicated, funding alternatives for the Company were limited given the timeframe and together with the terms negotiated, the Company decided to obtain a financial accommodation from Dussman and Chevron (and necessitating a waiver under ASX Listing Rule 10.1) rather than continue to seek funding alternatives from unrelated parties.

The 2017 Secured Notes have been issued without SVA shareholder approval but may become convertible into SVA equity with prior SVA shareholder approval. The Company does not currently have sufficient capacity under ASX Listing Rule 7.1 for the convertibility of the secured 2017 Secured Notes, but a shareholder meeting is to be convened on 15 December 2017 to consider approval that the 2017 Secured Notes become convertible.

The relevant key terms of the 2017 Secured Notes are:

- (a) an interest rate of 10% calculated daily, payable upon maturity as cash flows allow or capitalised monthly (the non-payment of interest does not constitute an event of default).
- (b) a maturity date of 31 July 2018.
- (c) usual terms and conditions applicable to such facilities.
- (d) 2017 Secured Notes are debt funding upon their issue, with the convertibility of the Notes into Shares then subject to shareholder approval.
- (e) where shareholder approval is obtained the Notes will automatically convert on the earlier of (i) maturity date of 31 July 2018 and (ii) a subsequent equity capital raising by Simavita prior to 31 July 2018.
- (f) where approved, the conversion price for the Notes is the lower of (i) 4 cents per CDI and (ii) the issue price per CDI in any further capital raising by Simavita prior to 31 July 2018.
- (g) security for the 2017 Secured Notes (for the debt component) will comprise a first ranking security from the Company and each of its wholly owned subsidiaries, but this security will cease on the 2017 Secured Notes being converted.

The funds raised from the 2017 Secured Note issue will be used for general working capital requirements. Where convertibility of the 2017 Secured Notes is not approved by shareholders; on the Maturity Date the Company will need to fund the payment of interest and repayment of principal on 31 July 2018. In those circumstances the Company will need to raise further capital or alternative funding as it is not envisaged at

this time that cash flow from operations would be sufficient to generate a surplus to repay the 2017 Secured Notes.

For further information, please check our website (www.simavita.com) or contact:

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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

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