



Simavita releases unaudited financial results for the nine months ended March 31, 2015

For Immediate Release

May 28, 2015

Sydney, Australia – Simavita Limited (“Simavita” or the “Company”) (ASX: SVA; TSX-V: SV) announced today its financial results for the three and nine month periods ended March 31, 2015, reported in Australian dollars and in accordance with International Financial Reporting Standards (“IFRS”). The Company’s results are presented in comparison to the three and nine month periods ended March 31, 2014, which were also prepared in accordance with IFRS.

Financial highlights

As reported in the Company's ASX Appendix 4C on April 29, 2015, total revenue for the nine-month period ended March 31, 2015 was \$618,826, representing strong growth as compared to the total revenue for the corresponding nine-month period ended March 31, 2014 of \$254,121.

Cash receipts from customers for the quarter were \$343,277, taking the total for the first nine months of the 2015 financial year to \$532,305. This figure compares favourably to the total cash receipts from customers for the entire 2014 financial year of \$373,321.

Quarterly operational highlights

A number of significant operational achievements were recorded in the quarter ended March 31, 2015 and up to the date of this release. Notable developments and achievements included:

- Appointment of Mr. Michael Brown as a Non-Executive Director and Chairman of the Board;
- Completion of a successful placement with strong support from institutional and sophisticated investors, including Hong-Kong based fund Ward Ferry, raising gross proceeds of \$8,294,371;
- Appointment of Abena A/S as the exclusive distributor of Simavita’s Smart Incontinence Management™ (SIM™) platform in Denmark, along with the commencement of sales of SIM™ in Denmark;
- Receipt of \$1,370,468 under the Australian Federal Government’s R&D Tax Incentive Scheme;
- Execution of new supply agreements for SIM™ in the Australian market, with leading aged care groups, McKenzie Aged Care Group and Queensland Rehabilitation Services; and the further roll-out of SIM™ across existing customer, Arcare’s, network of aged care facilities, with 19 of 24 sites noted as actively using the Company’s technology;
- Completion of successful trials of SIM™ Europe and Australia;
- Confirmation of the ability to sell and market SIM™ in the significant Canadian aged care market;
- Appointment of two new Executives: Mr. Chris Southerland (US) and Mr. Charles Cornish (Australia) to expand the Company’s global sales and marketing activities; and
- Appointment of Mr. Warren Bingham as a Non-Executive Director.

Simavita's CEO, Mrs. Philippa Lewis commented "My fellow directors and I are very pleased with the significant progress that was made during the March quarter. The placement of shares closed with strong support from institutional and sophisticated investors, and the capital raised will enable Simavita to continue to execute on its plans to sell and market SIM™ across our key markets. The team worked solidly during the quarter to set up pilots, distribution agreements and other activities in Australia, North America and Europe, which we expect will contribute to future reporting."

For further information, please visit the Company's profile on SEDAR (www.sedar.com) or the Company's website (www.simavita.com) or contact the persons outlined below.

Company	Media and Investor Relations
Philippa Lewis, Chief Executive Officer T: +61 2 8405 6381 Thomas Howitt, Chief Financial Officer T: +61 418 351 127	<i>In Australia:</i> Jane Lowe, IR Department E: jane.lowe@irdepartment.com.au T: +61 411 117 774

About Simavita

Simavita is a medical device company that has developed an innovative, world first solution for the management of urinary incontinence, with a focus on the elderly. The first product is the SIM™ platform technology which 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 instrument 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 during a compulsory or recommended assessment period in residential aged care facilities to develop an evidence-based incontinence care plan. 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.

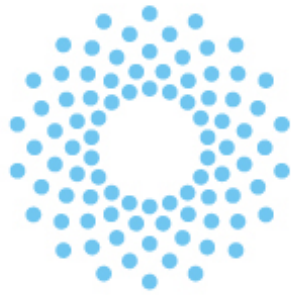
The TSX Venture Exchange has in no way passed upon the merits of the transactions set out herein and has neither approved nor disapproved the contents of this press release. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange)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

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 and includes, but is not limited to, information with respect to the use of proceeds in connection with the issuance of CDIs. 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 NINE-MONTH PERIOD ENDED

MARCH 31, 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 nine-month period ended March 31, 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 nine-month period ended March 31, 2015

The following Management Discussion and Analysis (“MD&A”) of the results and financial position of the Company for the nine-month period ended March 31, 2015 should be read in conjunction with the information provided in the Company’s Condensed Consolidated Interim Financial Statements for the nine-month period ended March 31, 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. The information presented in the Financial Statements is prepared in accordance with International Financial Reporting Standards (“IFRS”).

DATE

This MD&A is dated **May 27, 2015**.

OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS

Group overview

The Simavita Group of companies (the “Group”) operates in the global digital healthcare space and has developed an innovative, wearable 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™”) platform technology which is an instrumented incontinence assessment application that provides evidence-based incontinence management care plans for the residential aged care market.

Now in its fourth generation, the Company’s SIM™ technology is being used by more than 50 residential aged care facilities in Australia. Further, in June 2014, the Company expanded its operations internationally, initially into the United States, via a distribution agreement with a large US-based distribution partner, Medline Industries, Inc., where sales of SIM™ have now commenced. On January 29, 2015, the Company announced the execution of an exclusive distribution agreement with Abena A/S covering the sale and distribution of SIM™ Denmark. Early sales of the product in Denmark have also now commenced.

During the 2015 financial year, in addition to working to increase the sales of its products in Australia and the US, Simavita hopes to expand its activities into Canada and other European countries and into different markets and sectors, with potential new products that leverage off the Company’s underlying platform technology.

Changes to capital structure

During the period from July 1, 2014 up to the date of this MD&A, the Company completed various transactions that have resulted in additional securities being issued and further capital being raised by the Company, as detailed below:

- The Company conducted a capital raise in Australia via a CDI purchase plan (the “SPP”) to raise up to an additional \$1,080,000 at an issue price of \$0.45 per CDI. The SPP offer opened on June 26, 2014 and closed on July 25, 2014. Pursuant to the terms of the SPP, the Company issued a total of 1,572,201 common shares and CDIs to those who subscribed under the SPP. The shares/CDIs were issued on July 30, 2014 at an issue price of \$0.45 per share/CDI, raising a total of \$707,490, before the payment of associated costs.
- On August 26, 2014, the Company granted a total of 1,237,500 unlisted stock options pursuant to the Company’s stock option plan to various non-executive 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 August 31, 2018.

Changes to capital structure (cont.)

- On October 28, 2014, the Company granted a total of 500,000 unlisted stock options pursuant to the Company's stock option plan to a consultant 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 \$0.62 per share. The options, which vested immediately upon the date of grant, have an expiry date of July 1, 2017.
- On April 9, 2015, the Company completed the placement of 18,431,935 common shares and CDIs at an issue price of \$0.45 per security. The placement raised a total of \$8,294,371, before the payment of associated costs.
- On April 10, 2015, the Company granted 1,990,000 unlisted stock options to five key executives of the Company pursuant to an incentive scheme between Simavita and the respective recipients. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at prices ranging from \$0.51 to \$0.76. The options, which vested immediately upon the date of grant, have an expiry date of March 31, 2019.
- On May 22, 2015, the Company issued 85,555 common shares and CDIs at an issue price of \$0.45 per security.

Discussion of operations

During the previous year ended June 30, 2014, the Company successfully completed the development of its fourth generation SIM™ technology platform and released it for live site trials. This latest version of SIM™ eliminates the costly bespoke network infrastructure of previous versions and embraces a rapid deployment approach leveraging Wi-Fi technology. Based on the positive results of the live trials, the Company rolled out its fourth generation SIM™ technology to its existing customers in the Australian market and to new customers in the US and Europe.

Statement of comprehensive loss

The Group reported a consolidated loss after tax for the three-month period ended March 31, 2015 of \$2,113,438, which was \$2,293,177, or 52%, less than the loss incurred during the previous corresponding period ended March 31, 2014 of \$4,406,615. The consolidated loss after tax for the nine-month period ended March 31, 2015 was \$6,180,962, which was \$3,443,729, or 36%, less than the loss incurred during the previous corresponding period ended March 31, 2014 of \$9,624,691. However, given that the Group completed its dual listing on the TSX Venture Exchange and the Australian Securities Exchange during that corresponding period, several line items in the two sets of financial statements were materially different, as explained below.

Revenues

Revenues generated by the Group from the sale of its SIM™ solution increased by \$57,906, or 56%, to \$160,744 during the three-month period ended March 31, 2015, as compared to the previous corresponding period of \$102,838. Total revenues for the nine-month period ended March 31, 2015 were \$618,826, which represented an increase of \$364,705, or 144% over the revenue during the same period in 2014 of \$254,121. The majority of this growth came from the Company's initial US sales of SIM™, following the receipt of the first significant order for SIM™ from the Group's US distributor, Medline, and from early sales of the Company's products in Europe.

The Group anticipates that sales of SIM™ in Australia will continue to grow as sales and marketing efforts result in further aged care facilities adopting the technology. In the US market, trial sites of the Company's SIM™ solution are currently underway which it is anticipated will lead to further negotiations with a number of potential users of the Group's product, hopefully resulting in further contracts to supply SIM™. At the same time, current negotiations with potential distributors of the Group's product in certain other European countries, apart from Denmark, and in Canada where a trial site has now been established to demonstrate the product in that market, will continue.

Cost of sales

The Company's cost of sales increased by \$50,640, or 458%, to \$61,702 during the three-month period ended March 31, 2015, as compared to the previous corresponding period of \$11,062. The year-to-date cost of sales increased by \$217,974, or 501%, to \$261,443, as compared to the corresponding period in the previous year. The absolute increase in cost of sales 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 nine-month period ended March 31, 2015 from 82.9% to 57.8% is attributable to the increase in sales from the US market, where a third party distributor model is used. This results in a lower margin per unit sold which is offset by a corresponding reduction in the Company's local sales and marketing expenses.

Discussion of operations (cont.)

Finance costs

During the nine-month period ended March 31, 2014, the Group incurred finance costs of \$320,694 in respect of interest-bearing liabilities held by the Group during that period. Following the extinguishment of all outstanding interest-bearing liabilities during the previous year via the conversion of certain debt instruments into equity and the repayment in cash of other loans from the proceeds of the Company's various capital raisings, all such liabilities were repaid such that, during the periods ended March 31, 2015, no such finance costs were incurred.

General and administration

General and administration costs increased by \$742,530, or 126%, to \$1,329,719 during the three-month period ended March 31, 2015, as compared to the corresponding period of \$587,189. For nine-month period ended March 31, 2015, these costs increased by \$1,321,544, or 53%, from \$2,516,048 to \$3,837,593. Following the acquisition of Simavita Holdings Limited in December 2013, a number of senior employees were recruited in Australia and the US leading to an increase in the relevant employee benefits expense of \$400,287 (\$1,330,127) during the nine-month period ended March 31, 2015, as compared to \$929,840 in respect of the corresponding period in 2014. Further, as the Group expanded its operations globally, travel-related expenses increased from \$400,534 in the previous corresponding period to \$719,969 in the nine-month period ended March 31, 2015.

Occupancy costs

Occupancy costs increased by \$16,818, or 20%, to \$100,322 during the three-month period ended March 31, 2015, as compared to the previous corresponding period of \$83,504. During the nine-month period ended March 31, 2015, occupancy costs increased by \$30,458, or 12%, to \$289,495. This increase related to the additional costs incurred in respect of the Group's serviced office in Melbourne, Australia and the fact that the Group moved into larger premises in North Sydney to accommodate the Group's expanding activities. It is expected that occupancy costs will remain constant in coming periods, as the Group's existing accommodation will be adequate for the foreseeable future.

Research and development

Research and development costs decreased by \$1,945, or 0.4%, to \$463,202 during the three-month period ended March 31, 2015, as compared to the previous corresponding period of \$465,147. During the nine-month period ended March 31, 2015, the amount increased by \$222,098, or 15%, to \$1,718,589, as compared to \$1,496,491 for the previous period. During the period under review, the Company undertook a relatively greater proportion of its R&D activities in-house resulting in a higher employee benefits expense and lower external R&D-related costs.

As the Group works to introduce further refinements to existing products and develop new applications that leverage off its core SIM™ technology platform, it is likely that material research and development costs will continue to be incurred in future periods. The rate at which such research and development activities are undertaken will be partly dependent on the Group's available cash resources. Importantly, the Group qualifies for an R&D tax incentive payment each year from the Australian Government that reduces the overall R&D cost for the Group. In respect of the year ended June 30, 2014, the Company received an amount of \$1,370,468 under the relevant scheme.

Sales, marketing and distribution

Sales, marketing and distribution costs increased by \$276,060, or 66%, to \$693,065 during the three-month period ended March 31, 2015, as compared to the corresponding period of \$417,005. The corresponding increase during the nine-month period ended March 31, 2015, was \$327,447, or 26%, increasing the total amount to \$1,606,125. It is anticipated that, as the Group continues to promote its product to secure sales in both existing and additional global markets and to further strengthen its internal sales and marketing capability in future periods, these costs will increase further, however, the appointment of third party distributors in new international markets to sell SIM™ should enable the Group to manage increases in such costs.

Share-based payments expense

During the three-month period ended March 31, 2015, the Group incurred no share-based payments expense. During the nine-month period ended March 31, 2015, the total share-based payments expense was \$423,913. This amount represented a fall of \$878,420, or 67%, as compared to corresponding period of \$1,302,333.

Discussion of operations (cont.)

Transaction expenses

During the nine-month period ended March 31, 2014, the Company incurred transaction expenses of \$1,985,330 in respect of the acquisition of Simavita Holdings Limited which was completed on December 3, 2013. No such expenses were incurred during the periods under review.

Income tax benefit

During the three-month period ended March 31, 2015, the Company recognized an amount of \$342,500 in respect of its estimated claim under the Australian Federal Government's Research and Development Tax Incentive Scheme for the nine-month period then ended. In respect of the nine-month period then ended, this amount was \$1,183,613.

Statement of financial position

Cash and cash equivalents

The Group's cash and cash equivalents decreased during the nine-month period ended March 31, 2015 by \$2,657,913, or 39%, such that the Group's cash reserves as at March 31, 2015 were \$4,186,284. As described previously, after balance date, the Group raised a further \$8,294,371 from the placement of common shares and CDIs, before the payment of associated costs.

Trade and other receivables

During the nine-month period ended March 31, 2015, the Group's trade and other receivables decreased by \$144,064, or 10%, as compared to the previous period of \$1,397,009. As at March 31, 2015, the Group recorded a receivable of \$1,370,468 (previously estimated at \$1,214,355 as at June 30, 2014) in respect of its 2014 R&D tax incentive claim from the Australian Government. A cash payment under this Scheme of \$1,370,468 was received on February 4, 2015. A further receivable of \$1,027,500 was also recorded in respect of the Company's accrued claim for the nine-month period ended March 31, 2015.

Other assets

During the nine-month period ended March 31, 2015, the Group's other assets (comprising principally deposits) increased by \$23,349, or 46%, to \$74,065 largely due to the prepayment of certain insurance policies.

Trade and other payables

During the nine-month period ended March 31, 2015, the Group's trade and other payables decreased by \$353,291, or 35%, as compared to the previous period of \$1,022,823. This amount included \$259,400 in share subscriptions that were received in advance of the placement of shares that occurred on April 9, 2015. Trade creditors at the end of the Group's financial year (June 30) tend to be higher than an average month due to material year-end accruals and creditors including audit, printing and legal fees.

Share capital

As a result of the Group's capital raising activities during the nine-month period ended March 2015, 2015, which resulted in the issue of a total of 8,074,417 common shares and CDIs, the Company's share capital increased by \$3,360,654 (net of equity transaction costs of \$272,843), or approximately 8%, to \$47,296,606. The net funds raised by the Group will be added to the existing cash reserves and are likely to be used to accelerate the roll-out of the Company's current technologies in the US and European markets; (ii) accelerate the development of SIM™ Generation 5 (cloud compatible) product and potentially its SIM™ Community Care (home-based) product; (iii) negotiate the appointment of additional distributors to roll-out SIM™ in Europe; (iv) potentially acquire and develop complimentary intellectual property; and (v) for general working capital purposes. As noted above, a further \$8,294,371, less associated broker commission of \$253,865, was added to share capital in April 2015 following the placement of 18,431,935 common shares and CDIs.

Reserves

The increase in reserves during the nine-month period ended March 31, 2015 by \$431,100 related to an increase in the share-based payments reserve arising from the issue of options during the period of \$423,913 and the revaluation of current assets and liabilities of foreign subsidiaries.

Discussion of operations (cont.)

Statement of cash flows

Operating activities

Net cash flows used in operating activities during the nine-month period ended March 31, 2015, decreased by \$901,710, or 13%, to \$6,107,015 largely due to the receipt of an amount under the Australian Government's R&D tax incentive scheme (including interest) of \$1,374,082.

Investing activities

Net cash flows used in investing activities during the nine-month period ended March 31, 2015, decreased by \$311,716, or 234%, to \$178,272 due to increased purchases of plant and equipment and intangible assets by \$188,381, as part of the Group's global expansion. In the corresponding period, there were net cash inflows from investing activities due to cash received on reverse takeover \$181,786.

Financing activities

Net cash flows from financing activities during the nine-month period ended March 31, 2015, decreased by \$8,370,142, or 70%, to \$3,620,054, due to the net proceeds raised from capital raisings (refer above for details).

SUMMARY OF QUARTERLY RESULTS

The following is a comparison of revenue and earnings for the previous eleven quarters ended March 31, 2015, which includes the information contained in the first set of financial statements prepared by the Company since the reverse takeover of Simavita Holdings in December 2013. All financial information is prepared in accordance with IFRS and is reported in the Group's functional currency, the Australian dollar.

Quarter ended	Total revenue	Net profit/(loss)	Net loss per share
	\$	\$	\$
March 31, 2015	160,744	(2,118,861)	(0.03)
December 31, 2014	359,390	(1,702,796)	(0.02)
September 30, 2014	98,692	(2,352,118)	(0.03)
Totals - nine months ended March 31, 2015	<u>618,826</u>	<u>(6,173,775)</u>	<u>(0.08)</u>
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	<u>349,895</u>	<u>(10,491,790)</u>	<u>(0.34)</u>
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	<u>316,290</u>	<u>(7,385,811)</u>	<u>(3.29)</u>

Revenues from the sale of SIM™ in Australia are trending upwards and it is anticipated that sales in that market for the year ending June 30, 2015 will continue this trend. The timing and quantum of sales of SIM™ from the US market, and potentially other markets in Europe, however, will be less predictable, as the Group's exclusive US distributor, Medline, orders inventory to service its US customers in fewer, but significantly larger, orders.

During the nine-month period ended March 31, 2015, the Company made progress towards achieving its milestones. A showcase site for the Company's technology became operational in Copenhagen, Denmark, Medline provided the Company with its first significant order for the SIM™ product and first US sales were achieved, a number of new facilities in Australia committed to rolling out SIM™, and the numbers of assessments performed by existing customers continued to increase following the successful roll-out of Generation 4 SIM™.

LIQUIDITY

The Group incurred total expenses of \$7,875,714 during the nine-month period ended March 31, 2015 and net cash flows from operations during the same period of \$6,107,015. As a result of the capital raising activities undertaken by Simavita during the previous period, the Group's cash and cash equivalents decreased during the period under review by \$2,657,913 such that the Group's cash reserves as at March 31, 2015 were \$4,186,284 and its working capital (defined to be current assets less total liabilities) was \$4,863,835. On February 4, 2015, the Group received a research and development tax incentive payment of \$1,370,468, and it further anticipates to receive a payment under the Australian Government's Export Market Development Grant scheme of approximately \$70,000.

Subsequent to balance date, the Company completed a placement of 18,431,935 common shares and CDIs at an issue price of \$0.45 per security. The placement raised a total of \$8,294,371, before the payment of associated costs.

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 US, European and Australian marketplaces. Until that time, the Group will closely monitor its available cash and cash equivalents and the monthly net cash outflows from operations it incurs. To the extent that further capital raisings 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.

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

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements in place as of March 31, 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. We do not expect to have any significant fluctuations in our capital resources nor any changes in the mix and relative cost of those resources. As sales of SIM™ increase, our net cash outflows should progressively reduce. However, the Group anticipates that it will continue to generate net outflows from operations for at least the next twelve months from the date of this MD&A. The Group will closely monitor its capital resources (predominantly cash and cash equivalents), to ensure it continues to have 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	203,620
- later than one year but not later than five years	338,669
- later than five years	<u>-</u>
Total minimum operating lease payments	<u><u>542,289</u></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	487,569
Level 40, 140 William Street Melbourne, Victoria 3000 Australia	ServCorp Pty. Ltd.	Office	May 31, 2016	54,720
			Total	<u><u>542,289</u></u>

TRANSACTIONS BETWEEN RELATED PARTIES

Details of Directors and Named Executive Officers (“NEOs”) as at balance date

Directors

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

Philippa M. Lewis (*Chief Executive Officer*)

Ari B. Bergman (*Non-Executive*)

Damien M. Haakman (*Non-Executive*)

Craig J. Holland (*Non-Executive*)

Named Executive Officers

Thomas G. Howitt (*Chief Financial Officer / Company Secretary*)

Peter J. Curran (*Chief Technology Officer*)

Christopher R. Southerland (*Vice President, US Sales and Marketing*)

Charles B. Cornish (*Director, Sales and Marketing ANZ*)

Paul Won (*Vice President, Manufacturing and Supply Chain*)

Payments made to Directors and NEOs during the nine-month period ended March 31, 2015

Name and title of	Period	Short-term		Post-employment	Long-term	Share-based	Totals
		Salary/fees	Other	Superannuation	Long service leave	Options	
Directors		\$	\$	\$	\$	\$	\$
Michael W. Brown ¹ Non-Executive Chairman	2015 2014	27,397 -	117,000 338,563	2,603 -	- -	93,500 -	240,500 338,563
Philippa M. Lewis ² Chief Executive Officer	2015 2014	262,500 175,000	66,719 518,214	24,938 19,425	16,779 -	- -	370,936 712,639
Ari B. Bergman ³ Non-Executive Director	2015 2014	49,403 35,000	2,917 16,331	3,970 -	- -	- -	56,290 51,331
Damien M. Haakman ⁴ Non-Executive Director	2015 2014	33,189 26,250	165,000 -	- -	- -	- -	198,189 26,250
Craig J. Holland ⁵ Non-Executive Director	2015 2014	22,667 -	- -	- -	- -	- -	22,667 -
Peter C. Cook ⁶ Former Non-Exec. Chair.	2015 2014	28,788 15,139	- -	2,375 1,400	- -	- -	31,163 16,539
Maxwell C. Lloyd-Jones ⁷ Former Non-Exec. Chair.	2015 2014	- 50,500	- -	- -	- -	- -	- 50,500
Sub-totals for Directors	2015 2014	423,944 301,889	351,636 873,108	33,886 20,825	16,779 -	93,500 -	919,745 1,195,822

Payments made to Directors and NEOs during the nine-month period ended March 31, 2015 (cont.)

Name and title of NEOs	Period	Short-term	Other	Post-employment	Long-term	Share-based	Totals
		Salary/fees		Superannuation	Long service leave	Options	
Thomas G. Howitt Chief Financial Officer / Company Secretary	2015 2014	182,562 -	10,919 -	14,086 -	- -	- -	207,567 -
Peter J. Curran Chief Technology Officer	2015 2014	192,169 165,000	- 20,000	18,256 17,112	12,180 -	93,450 -	316,055 202,112
Christopher R. Southerland ⁸ VP, US Sales and Market.	2015 2014	32,649 -	- -	- -	- -	- -	32,649 -
Charles B. Cornish ⁹ Dir., Sales and Market. ANZ	2015 2014	57,509 -	- -	- -	- -	- -	57,509 -
Paul Won ¹⁰ VP, Man. and Supply Chain	2015 2014	83,339 -	- -	7,918 -	- -	- -	91,257 -
Sub-totals for NEOs	2015 2014	548,228 165,000	10,919 20,000	40,260 17,112	12,180 -	93,450 -	705,037 202,112
Total payments made to Directors and NEOs	2015 2014	972,172 466,889	362,555 893,108	74,146 37,937	28,959 -	186,950 -	1,624,782 1,397,934

The amounts included in the tables above in respect of the nine-month period ended March 31, 2015 include amounts paid by the Company and its subsidiaries to the individuals named and/or parties related to them, as disclosed below. The comparative information, in respect of the nine-month period ended March 31, 2014, includes amounts paid by Simavita Holdings Limited which was acquired by the Company on December 3, 2013. The following changes to Directors and NEOs relate to the period from July 1, 2014 up to the date of this MD&A:

1. Mr. Michael W. Brown was appointed as a Non-Executive Director of the Company and as the Non-Executive Chairman of the Board on January 7, 2015. Payments made to Mr. Brown during the nine-month period ended March 31, 2015 totalling \$240,500 comprised salary and superannuation of \$30,000 paid directly to him, and fees of \$117,000 paid to Integrated Equity Pty. Ltd., a company associated with Mr. Brown, in respect of consulting services provided to the Company in relation to its capital raising in July 2014 and other corporate matters. In addition to these payments, during the same period, a total of 500,000 options were granted to Integrated Equity Pty. Ltd. which had a total share-based payments expense of \$93,500. The consulting arrangement between the Company and Integrated Equity Pty. Ltd. was terminated with effect from December 31, 2014. In respect of the nine-month period ended March 31, 2014, capital raising fees totalling \$338,563 were paid by the Company to Integrated Equity Pty. Ltd.
2. Payments made to Mrs. Lewis during the nine-month period ended March 31, 2015 totalling \$66,719 (as disclosed above under the heading "Other") comprised a dislocation and hardship allowance of \$52,500 and certain expense payment fringe benefits totalling \$14,219. In respect of the nine-month period ended March 31, 2014, an amount of \$518,414 was paid which comprised a dislocation and hardship allowance of \$35,000, retainer fees of \$8,750, a bonus of \$50,000, certain expense payment fringe benefits totalling \$4,286, as well as a payment of \$420,378 to Dumur Asia Pacific Pty. Ltd., a company associated with Mrs. Lewis, comprising management fees of \$110,000, capital raising fees of \$285,378 and a bonus of \$25,000.
3. Following the appointment of Mr. Michael Brown as a Non-Executive Director of the Company and as the Non-Executive Chairman of the Board on January 7, 2015, Mr. Bergman relinquished the role of Acting Non-Executive Chairman effective January 7, 2015 but remained on the Board as a Non-Executive Director. Payments made to Mr. Bergman during the nine-month period ended March 31, 2015 totalling \$2,917 (as disclosed above under the heading "Other") comprised fees paid to Estley Pty. Ltd., a company associated with Mr. Bergman (2014: \$16,331).

Payments made to Directors and NEOs during the nine-month period ended March 31, 2015 (cont.)

4. Payments made to Mr. Haakman during the nine-month period ended March 31, 2015 totalling \$165,000 (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 in relation to its capital raising in July 2014.
5. Mr. Holland was appointed as a Non-Executive Director of the Company on November 14, 2014.
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. Mr. Lloyd-Jones was appointed as a Director of the Company and as Non-Executive Chairman of the Board on November 20, 2013. He subsequently resigned as a Director of the Company on January 31, 2014.
8. Mr. Southerland was appointed as Vice President, US Sales and Marketing on March 16, 2015.
9. Mr. Cornish was appointed as Director, Sales and Marketing Australia and New Zealand on March 1, 2015.
10. Mr. Won was appointed as Vice President, Manufacturing and Supply Chain on October 27, 2014.

Apart from the above, there were no other transactions between the Company and any related parties during the nine-month period ended March 31, 2015.

CRITICAL ACCOUNTING ESTIMATES

The critical accounting estimates used by the Group are detailed in Note 4 of its financial statements for the year ended June 30, 2014.

CHANGES IN ACCOUNTING POLICIES

During the three-month period ended March 31, 2015, the Company has not changed any of its accounting policies. The following new standards have been issued but are not yet effective for the financial year beginning July 1, 2014 and have not been early adopted:

- *IFRS 9 “Financial Instruments” (effective from January 1, 2018)*
This addresses the classification and measurement of financial assets. We have yet to assess the full impact of IFRS 9, but we do not expect any material changes due to this standard.
- *IFRS 14 “Regulatory deferral accounts” (effective from January 1, 2016)*
This standard permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, the effect of rate regulation must be presented separately from other items. This standard will have no impact on Simavita Limited.
- *IFRS 15 “Revenue from contracts with customers” (effective from January 1, 2017)*
This new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. We have yet to assess the full impact of IFRS 15 on Simavita Limited.

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 and nine-month periods ended March 31, 2015 are provided above under the heading *Discussion of Operations*. Prior to its acquisition of Simavita Holdings, no external investor relations activities were carried out by the Company. The Company maintains a web site at www.simavita.com, which gives shareholders the opportunity to review published financial reports, news releases, corporate profiles, project details and other information.

OTHER MD&A REQUIREMENTS (cont.)

The material expenses incurred by the Group during the nine-month periods ended March 31, 2015 and March 31, 2014, as disclosed in the Statement of Comprehensive Loss, contain the following items:

	2015 (\$)	2014 (\$)
General and administration	(3,837,592)	(2,516,048)
Employee benefits	(1,392,562)	(1,077,792)
Travel	(719,969)	(400,534)
Consultants	(446,471)	(568,880)
Audit and tax	(188,899)	(75,069)
Other	(1,089,691)	(393,773)
Research and development	(1,718,589)	(1,496,491)
Employee benefits	(1,119,752)	(823,836)
Patent and R&D support and development fees	(598,837)	(672,655)
Sales, marketing and distribution	(1,606,125)	(1,278,678)
Employee benefits	(1,562,917)	(1,252,986)
Other	(43,208)	(25,692)

Outstanding share data

Summary of shares issued and outstanding

	Number of shares	Amount \$
Balance at July 1, 2013	7,964,337	18,602,287
Issue of ordinary shares by Simavita Holdings for cash (pre-acquisition)	20,928,675	2,000,000
Conversion of borrowings into equity (pre-acquisition)	49,589,520	7,885,514
Share consolidation by Simavita Holdings (1 for 3.543)	(56,331,098)	-
Issue of ordinary shares by Simavita Holdings for cash (pre-acquisition)	33,902,338	13,899,963
Elimination of shares in legal acquiree (Simavita Holdings)	(56,053,772)	-
Issue of common shares on acquisition of Simavita Holdings	56,053,772	-
Fair value of common shares held by pre-acquisition shareholders of Gtech	1,722,722	706,316
Issue of common shares for cash	990,159	405,965
Equity transaction costs	-	(1,961,523)
Balance at March 31, 2014	<u>58,766,653</u>	<u>41,538,522</u>
Balance at July 1, 2014	65,653,326	43,935,952
Issue of common shares by Simavita Limited for cash	6,502,216	2,925,997
Issue of common shares under Share Purchase Plan	1,572,201	707,500
Equity transaction costs	-	(272,843)
Balance at March 31, 2015	<u>73,727,743</u>	<u>47,296,606</u>

As of the date of this MD&A, being May 27, 2015, there was a total of 92,245,233 common shares in the Company on issue, of which a total of 36,859,775 were held in the form of common shares and 55,385,458 were held in the form of CDIs.

Summary of warrants outstanding

As of the date of this MD&A, being May 27, 2015, the following warrants had been granted in respect of the Company's previous capital raisings:

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

Summary of warrants outstanding (cont.)

As of the date of this MD&A, being May 27, 2015, the following warrants had been granted to Medline Industries, Inc. (“Medline”) in respect of the Company’s distribution arrangements with Medline (refer notes below the table for further details):

Tranche	Number	Exercise price	Grant date	Expiry date	Fair value / warrant
Tranche One	1,155,298	CAD\$0.42	January 31, 2014	January 31, 2019	\$0.206
Tranche Two	1,444,412	(refer note 1)	January 1, 2015	January 31, 2019	N/A
Tranche Three	1,444,412	(refer note 2)	January 1, 2016	January 31, 2019	N/A

1. 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 TSX Venture and each other stock exchange upon which the Company’s common shares are traded for the 30 days prior to the date of exercise.
2. 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 TSX Venture 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 between the Company and Medline). All warrants vested immediately on the date of grant.

Summary of options outstanding

As of the date of this MD&A, being May 27, 2015, the following options were outstanding:

Number	Exercise price	Grant date	Expiry date	Fair value / option
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
1,237,500	\$0.70	August 26, 2014	August 31, 2018	\$0.267
500,000	\$0.62	October 28, 2014	July 1, 2017	\$0.187
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

DIRECTORS AND OFFICERS

As of the date of this MD&A, being May 27, 2015, the names of the Directors and Officers of the Company are set out below. Mr. Holland was appointed as a Director of the Company on November 14, 2014, while Mr. Brown was appointed as a Director of the Company and as its Chairman of the Board on January 7, 2015. Mr. Bingham was appointed as a Director of the Company on May 21, 2015.

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 certain statements that may be deemed “forward-looking statements”. All statements in this release, other than statements of historical fact, that address future acquisitions and events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur, and similar expressions, and the negative of such expressions.

Forward-looking statements and information are based on Simavita’s current beliefs as well as assumptions made by, and information currently available to, the Company concerning anticipated financial conditions and performance, business prospects, strategies, regulatory developments, the Company’s ability to secure sales of its SIM™ solution in both current and future markets, its ability to secure adequate financing, and its ability to develop and commercialize new products for sale.

Although Simavita believes that the assumptions underlying its forward-looking statements are reasonable, any of the assumptions made could be inaccurate, and, therefore, the Company cannot be certain that the forward-looking statements will eventuate. In light of the uncertainties inherent in the Company’s forward-looking statements, the inclusion of such information should not be regarded as a representation by Simavita or any other person that its objectives and plans will be achieved.

Forward-looking statements in this document may include statements regarding possible future acquisitions, spending plans and possible financing plans. 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. Factors that could cause actual results to differ materially from those in forward-looking statements include market conditions, availability of capital and financing, general economic, and market or business conditions. 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. 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.

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 NINE-MONTH PERIOD ENDED MARCH 31, 2015

	Notes	Three-month period ended March 31,		Nine-month period ended March 31,	
		2015	2014	2015	2014
		\$	\$	\$	\$
Revenue		160,744	102,838	618,826	254,121
Cost of sales		(61,702)	(11,062)	(261,443)	(43,469)
Gross profit		99,042	91,776	357,383	210,652
Other revenue	5	31,328	9,239	153,756	29,584
Expenses					
Finance costs		-	-	-	(320,694)
General and administration		(1,329,719)	(587,189)	(3,837,592)	(2,516,048)
Loss on acquisition		-	(706,316)	-	(706,316)
Occupancy costs		(100,322)	(83,504)	(289,495)	(259,037)
Research and development		(463,202)	(465,147)	(1,718,589)	(1,496,491)
Sales, marketing and distribution		(693,065)	(417,005)	(1,606,125)	(1,278,678)
Share-based payments expense		-	(1,302,333)	(423,913)	(1,302,333)
Transaction expenses		-	(946,136)	-	(1,985,330)
Loss before income tax		(2,455,938)	(4,406,615)	(7,364,575)	(9,624,691)
Income tax benefit		342,500	-	1,183,613	-
Loss for the period		(2,113,438)	(4,406,615)	(6,180,962)	(9,624,691)
Other comprehensive income		(5,423)	(20,640)	7,187	(18,990)
Total comprehensive loss for the period		(2,118,861)	(4,427,255)	(6,173,775)	(9,643,681)
Basic and diluted loss per common share	8	(0.03)	(0.08)	(0.08)	(0.34)

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

SIMAVITA LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2015

	Notes	March 31, 2015 \$	June 30, 2014 \$
Assets			
Current Assets			
Cash and cash equivalents	10	4,186,284	6,844,197
Trade and other receivables	11	1,252,945	1,397,009
Inventories	12	320,974	313,809
Other assets	13	74,065	50,716
Total Current Assets		<u>5,834,268</u>	<u>8,605,731</u>
Non-Current Assets			
Property, plant and equipment	14	208,420	114,436
Intangible assets	15	69,300	69,757
Total Non-Current Assets		<u>277,720</u>	<u>184,193</u>
Total Assets		<u><u>6,111,988</u></u>	<u><u>8,789,924</u></u>
Liabilities and Shareholders' Equity			
Liabilities			
Current Liabilities			
Trade and other payables	16	669,532	1,022,823
Provisions	17	243,461	193,297
Total Current Liabilities		<u>912,993</u>	<u>1,216,120</u>
Non-Current Liabilities			
Provisions	17	57,440	43,041
Total Non-Current Liabilities		<u>57,440</u>	<u>43,041</u>
Total Liabilities		<u>970,433</u>	<u>1,259,161</u>
Shareholders' Equity			
Share capital	18	47,296,606	43,935,952
Reserves	19	3,180,630	2,749,530
Retained losses	20	(45,335,681)	(39,154,719)
Total Shareholders' Equity		<u>5,141,555</u>	<u>7,530,763</u>
Total Liabilities and Shareholders' Equity		<u><u>6,111,988</u></u>	<u><u>8,789,924</u></u>

Approved and authorized by the Board on May 27, 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 NINE-MONTH PERIOD ENDED MARCH 31, 2015

	Share capital	Reserves	Retained losses	Totals
	\$	\$	\$	\$
Balance at July 1, 2013	18,602,287	1,469,980	(28,662,929)	(8,590,662)
Net loss for the period	-	-	(9,624,691)	(9,624,691)
Other comprehensive income, net of tax	-	(18,990)	-	(18,990)
Total comprehensive loss for the period	-	(18,990)	(9,624,691)	(9,643,681)
<i>Transactions with owners</i>				
Issue of common shares for cash	16,305,928	-	-	16,305,928
Issue of common shares to owners of Simavita Holdings Limited	7,885,514	-	-	7,885,514
Fair value of shares issued on acquisition	706,316	-	-	706,316
Share-based payments reserve	-	1,302,333	-	1,302,333
Equity transaction costs	(1,961,523)	-	-	(1,961,523)
Total transactions with owners	22,936,235	1,302,333	-	24,238,568
Balance at March 31, 2014	41,538,522	2,753,323	(38,287,620)	6,004,225
Balance at July 1, 2014	43,935,952	2,749,530	(39,154,719)	7,530,763
Net loss for the period	-	-	(6,180,962)	(6,180,962)
Other comprehensive income, net of tax	-	7,187	-	7,187
Movement in share-based payments reserve	-	423,913	-	423,913
Total comprehensive income/(loss) for the period	-	431,100	(6,180,962)	(5,749,862)
<i>Transactions with owners</i>				
Issue of common shares for cash	3,633,497	-	-	3,633,497
Equity transaction costs	(272,843)	-	-	(272,843)
Total transactions with owners	3,360,654	-	-	3,360,654
Balance at March 31, 2015	47,296,606	3,180,630	(45,335,681)	5,141,555

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

SIMAVITA LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2015

	Three-month period ended March 31,		Nine-month period ended March 31,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash flows used in operating activities				
Loss for the period	(2,113,438)	(4,406,615)	(6,180,962)	(9,624,691)
<i>Non-cash items</i>				
Depreciation and amortization	32,235	9,533	94,854	111,720
Accrued interest	(7,891)	27,007	(19,123)	6,663
Net profit on sale of motor vehicles	-	-	(10,109)	-
Net foreign exchange gains	(140)	(7,940)	(133)	(7,915)
Loss on acquisition	-	706,316	-	706,316
Share-based payments expense	-	1,302,333	423,913	1,302,333
<i>Changes in assets and liabilities</i>				
(Increase)/decrease in receivables	1,262,222	133,675	163,186	957,163
(Increase)/decrease in inventories	(51,804)	8,535	(7,165)	(181,633)
(Increase)/decrease in other assets	56,438	(36,576)	(23,349)	(102,002)
Increase/(decrease) in payables	(131,717)	133,906	(612,690)	(56,144)
Increase/(decrease) in provisions	25,604	(56,079)	64,563	(34,454)
Net liabilities acquired	-	(86,081)	-	(86,081)
Net cash flows used in operating activities	<u>(928,491)</u>	<u>(2,271,986)</u>	<u>(6,107,015)</u>	<u>(7,008,725)</u>
Cash flows from/(used in) investing activities				
Purchases of plant and equipment	(47,181)	(20,509)	(166,077)	(34,088)
Purchases of intangible assets	(7,506)	-	(22,304)	(14,254)
Proceeds from the sale of fixed assets	-	-	10,109	-
Cash received on reverse takeover	-	-	-	181,786
Net cash flows from/(used in) investing activities	<u>(54,687)</u>	<u>(20,509)</u>	<u>(178,272)</u>	<u>133,444</u>
Cash flows from financing activities				
Proceeds from the issue of shares	-	405,965	3,633,497	16,305,928
Equity transaction costs	(17,081)	(175,024)	(272,843)	(1,854,946)
Subscriptions received in advance	259,400	-	259,400	-
Net movement in borrowings	-	-	-	(2,460,786)
Net cash flows from financing activities	<u>242,319</u>	<u>230,941</u>	<u>3,620,054</u>	<u>11,990,196</u>
Net increase/(decrease) in cash held	(740,859)	(2,061,554)	(2,665,233)	5,114,915
Cash at the beginning of period	4,932,426	7,916,072	6,844,197	737,978
Net foreign exchange differences on cash	(5,283)	(12,700)	7,320	(11,075)
Cash at the end of period	<u><u>4,186,284</u></u>	<u><u>5,841,818</u></u>	<u><u>4,186,284</u></u>	<u><u>5,841,818</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 NINE-MONTH PERIOD ENDED MARCH 31, 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 periods ended March 31, 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, 2014 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 condensed consolidated interim financial statements.

3. Summary of significant accounting policies

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, 2015 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 nine-month period ended March 31, 2015, the Company incurred a total comprehensive loss after income tax of \$6,180,962 (2014: \$9,624,691) and net cash flows from operations of \$6,107,015 (2014: \$7,008,725). As at March 31, 2015, the Company held cash reserves of \$4,186,284.

Subsequent to balance date, the Company completed a placement of 18,431,935 common shares and CDIs at an issue price of \$0.45 per security. The placement raised a total of \$8,294,371, before the payment of associated costs.

Further new capital may be required to fund budgeted sales and marketing expenditure focussed on expanding sales of the Company’s SIM™ solution.

3. Summary of significant accounting policies (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 the following events occurring:

- The Company successfully raising further capital from the issue of new shares/CDIs; or
- Increasing sales of the Company's SIM™ solution in Australia, the USA and Europe; and
- 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.

4. Critical accounting estimates and judgments

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of the assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing the condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended June 30, 2014.

	Three-month period ended March 31,		Nine-month period ended March 31,	
	2015	2014	2015	2014
	\$	\$	\$	\$
5. Other revenue				
Interest revenue	31,328	9,239	143,647	29,584
Net profit on sale of motor vehicles	-	-	10,109	-
Total other revenue	31,328	9,239	153,756	29,584
6. Expenses				
Depreciation of fixed assets	(26,185)	(2,875)	(72,093)	(93,684)
Amortization of intangible assets	(6,050)	(6,658)	(22,761)	(18,036)
Total depreciation and amortization	(32,235)	(9,533)	(94,854)	(111,720)
Employee benefits expenses	(1,509,526)	(1,104,998)	(4,075,231)	(3,154,614)
Research and development expenses (excluding employee benefits expenses)	(117,508)	(191,326)	(598,837)	(672,655)

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. 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 paid.

8. Loss per share

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

	Nine-month period ended March 31,	
	2015	2014
	\$	\$
Loss for the period attributable to the owners of Simavita Limited	<u>(6,180,962)</u>	<u>(9,624,691)</u>
Weighted average number of shares used in calculating loss per share	<u>72,870,021</u>	<u>28,171,209</u>

Note: None of the 12,368,119 (June 2014: 9,186,207) options and warrants over the Company's ordinary shares outstanding as at the reporting date are considered to be dilutive for the purposes of calculating diluted earnings per share.

9. Income tax

Simavita Holdings Limited ("Head Entity") and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. As at March 31, 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, the tax losses are available for offset against future taxable income. As at June 30, 2014, there were unrecognized tax losses with a benefit of approximately \$6,484,591 (June 2013: \$5,904,733) that have not been recognized as a deferred tax asset to the Group. These unrecognized deferred tax assets will only be obtained if:

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

	Consolidated	
	March 31, 2015	June 30, 2014
	\$	\$

10. Cash and cash equivalents

Cash at bank and on hand	1,186,284	3,291,355
Short-term deposits	<u>3,000,000</u>	<u>3,552,842</u>
Total cash and cash equivalents	<u>4,186,284</u>	<u>6,844,197</u>

11. Trade and other receivables

Trade receivables	142,885	58,768
GST receivable	74,670	105,141
Accrued interest receivable	7,890	18,745
Research and development tax incentive scheme payment receivable	<u>1,027,500</u>	<u>1,214,355</u>
Total trade and other receivables	<u>1,252,945</u>	<u>1,397,009</u>

12. Inventories

Finished goods and raw materials	<u>320,974</u>	<u>313,809</u>
Total inventories	<u>320,974</u>	<u>313,809</u>

	Consolidated	
	March 31, 2015	June 30, 2014
	\$	\$
13. Other assets		
Prepayments	44,720	25,582
Deposits	29,345	25,134
Total other assets	<u>74,065</u>	<u>50,716</u>
14. Property, plant and equipment		
Office equipment, at cost	292,055	168,924
Less: accumulated depreciation	(188,123)	(151,661)
Net office equipment	<u>103,932</u>	<u>17,263</u>
Furniture and fittings, at cost	84,679	76,030
Less: accumulated depreciation	(71,190)	(64,806)
Net furniture and fittings	<u>13,489</u>	<u>11,224</u>
Leasehold improvements, at cost	75,257	40,961
Less: accumulated depreciation	(11,680)	(1,707)
Net leasehold improvements	<u>63,577</u>	<u>39,254</u>
Testing equipment, at cost	42,108	42,108
Less: accumulated depreciation	(26,457)	(19,749)
Net testing equipment	<u>15,651</u>	<u>22,359</u>
Motor vehicles, at cost	-	42,600
Less: accumulated depreciation	-	(42,600)
Net motor vehicles	<u>-</u>	<u>-</u>
Rental assets, at cost	55,288	55,288
Less: accumulated depreciation	(43,517)	(30,952)
Net rental assets	<u>11,771</u>	<u>24,336</u>
Total property, plant and equipment	<u>208,420</u>	<u>114,436</u>
<i>Reconciliation of property, plant and equipment</i>		
Opening gross carrying amount	425,910	531,485
Add: additions during the period	166,077	97,756
Less: disposals made during the period	(42,600)	(203,331)
Closing gross carrying amount	<u>549,387</u>	<u>425,910</u>
Opening accumulated depreciation	(311,474)	(347,682)
Add: disposals made during the period	42,600	152,137
Less: depreciation expense charged	(72,093)	(115,929)
Closing accumulated depreciation	<u>(340,967)</u>	<u>(311,474)</u>
Total net property, plant and equipment	<u>208,420</u>	<u>114,436</u>

Consolidated

	March 31, 2015	June 30, 2014
	\$	\$

15. Intangible assets

Patents, at cost	67,690	67,690
Less: accumulated amortization	(31,132)	(23,539)
Total net patents	36,558	44,151
Software, at cost	117,071	94,767
Less: accumulated amortization	(84,329)	(69,161)
Total net software	32,742	25,606
Total intangible assets	69,300	69,757

Reconciliation of patents

Opening gross carrying amount	67,690	67,690
Add: additions during the period	-	-
Closing gross carrying amount	67,690	67,690
Opening accumulated amortization	(23,539)	(21,656)
Add: amortization expense charged	(7,593)	(1,883)
Closing accumulated amortization	(31,132)	(23,539)
Total net patents	36,558	44,151

Reconciliation of software

Opening gross carrying amount	94,767	77,725
Add: additions during the period	22,304	17,042
Closing gross carrying amount	117,071	94,767
Opening accumulated amortization	(69,161)	(47,074)
Add: amortization expense charged	(15,168)	(22,087)
Closing accumulated amortization	(84,329)	(69,161)
Total net software	32,742	25,606

16. Trade and other payables

Trade payables	149,181	630,888
GST payable	11,610	10,535
Share subscriptions received in advance	259,400	-
Other payables and accruals	249,341	381,400
Total trade and other payables	669,532	1,022,823

Consolidated
March 31, 2015 **June 30, 2014**
\$ **\$**

17. Provisions

Current liabilities

Annual leave 243,461 193,297

Non-current liabilities

Long service leave 57,440 43,041

Total provisions 300,901 236,338

Reconciliation of annual leave provision

Balance at the beginning of the period 193,297 190,199

Add: obligation accrued during the period 208,175 179,501

Less: balance utilized during the period (158,011) (176,403)

Balance at the end of the period 243,461 193,297

Reconciliation of long service leave provision

Balance at the beginning of the period 43,041 -

Add: obligation accrued during the period 14,399 43,041

Balance at the end of the period 57,440 43,041

18. Share capital

Summary of shares issued and outstanding

	Number of shares	Amount \$
Balance at July 1, 2013	7,964,337	18,602,287
Issue of ordinary shares by Simavita Holdings for cash (pre-acquisition)	20,928,675	2,000,000
Conversion of borrowings into equity (pre-acquisition)	49,589,520	7,885,514
Share consolidation by Simavita Holdings (1 for 3.543)	(56,331,098)	-
Issue of ordinary shares by Simavita Holdings for cash (pre-acquisition)	33,902,338	13,899,963
Elimination of shares in legal acquiree (Simavita Holdings)	(56,053,772)	-
Issue of common shares on acquisition of Simavita Holdings	56,053,772	-
Fair value of common shares held by pre-acquisition shareholders of Gtech	1,722,722	706,316
Issue of common shares for cash	990,159	405,965
Equity transaction costs	-	(1,961,523)
Balance at March 31, 2014	<u>58,766,653</u>	<u>41,538,522</u>
Balance at July 1, 2014	65,653,326	43,935,952
Issue of common shares by Simavita Limited for cash	6,502,216	2,925,997
Issue of common shares under Share Purchase Plan	1,572,201	707,500
Equity transaction costs	-	(272,843)
Balance at March 31, 2015	<u>73,727,743</u>	<u>47,296,606</u>

As of the date of these financial statements, being May 27, 2015, there was a total of 92,245,233 common shares in the Company on issue, of which a total of 36,859,775 were held in the form of common shares and 55,385,458 were held in the form of CDIs.

18. Share capital (cont.)

Summary of warrants outstanding

As of the date of these financial statements, being May 27, 2015, the following warrants had been granted in respect of the Company's previous capital raisings:

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

As of the date of these financial statements, being May 27, 2015, the following warrants had been granted to Medline Industries, Inc. ("Medline") in respect of the Company's distribution arrangements with Medline (refer notes below the table for further details):

Tranche	Number	Exercise price	Grant date	Expiry date	Fair value / warrant
Tranche One	1,155,298	CAD\$0.42	January 31, 2014	January 31, 2019	\$0.206
Tranche Two	1,444,412	(refer note 1)	January 1, 2015	January 31, 2019	N/A
Tranche Three	1,444,412	(refer note 2)	January 1, 2016	January 31, 2019	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 TSX Venture 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 TSX Venture 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 between the Company and Medline). All warrants vested immediately on the date of grant.

Summary of options outstanding

As of the date of these financial statements, being May 27, 2015, the following options were outstanding:

Number	Exercise price	Grant date	Expiry date	Fair value / option
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
1,237,500	\$0.70	August 26, 2014	August 31, 2018	\$0.267
500,000	\$0.62	October 28, 2014	July 1, 2017	\$0.187
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

Consolidated

	March 31, 2015	June 30, 2014
	\$	\$

19. Reserves

Share-based payments reserve	2,700,826	2,276,913
Share capital reserve	499,445	499,445
Foreign currency reserve	(19,641)	(26,828)
Total reserves	<u>3,180,630</u>	<u>2,749,530</u>

20. Retained losses

Balance at the beginning of the period	(39,154,719)	(28,662,929)
Add: net loss attributable to owners of Simavita Limited	(6,180,962)	(10,491,790)
Balance at the end of the period	<u>(45,335,681)</u>	<u>(39,154,719)</u>

21. Exploration agreements**CANADA; YUKON TERRITORY***Aurex Property - Mayo Mining District*

The Company previously had a 100% interest in this property, which consisted of 155 mineral claims. On August 16, 2001, the Company agreed with Yukon Zinc Corp. (“Yukon Zinc”) to accept CAD 84,000, to be paid by the issue of 600,000 common shares in Yukon Zinc, as final settlement for the sale of the property. The property was subsequently sold to StrataGold Corporation which was purchased by Victorian Gold Corp. in June 2009. Simavita retains a 1.5% royalty on the project which Victorian Gold Corp. may purchase from the Company for CAD\$1,000,000.

Revenue Creek Area - Whitehorse Mining District

The Company previously owned 69 mineral claims which it sold to ATAC Resources Limited (“ATAC”), a Canadian public company, on January 16, 2002. The Company agreed to accept 200,000 common shares in ATAC and a cash payment of CAD\$5,000 in final settlement for the transfer of the project. Simavita retains a 1.5% net smelter royalty which ATAC may purchase from the Company for CAD\$600,000.

22. Segment information**Identification of reportable segments**

The Group has identified two reportable segments based on the similarity of the products produced and sold and/or the services provided, as these represent the sources of the Group’s major risks and have the greatest effect on the rates of return.

The separate groups are then divided into operating businesses, the performances of which are reported to the Chief Executive Officer, the Senior Leadership Team and the Board of Directors on a monthly basis. The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

The Group also separately reports the corporate headquarter function to clearly identify costs associated with that function. The corporate function is not considered to be an operating segment.

The Group’s two operating segments can be described as follows:

Operations – involves the manufacture and sale of products using the Company’s SIM™ technology.

Research – involves the undertaking of research and development projects based on the Company’s SIM™ technology.

The *Corporate* disclosures include all revenues, costs, assets and liabilities associated with the headquarter function.

22. Segment information (cont.)

Business segments (Statement of Comprehensive Loss)	Three-month period ended March 31,		Nine-month period ended March 31,	
	2015	2014	2015	2014
	\$	\$	\$	\$
<i>Operations</i>				
Sales	160,744	102,838	618,826	254,121
Other revenue	-	-	-	-
Totals	<u>160,744</u>	<u>102,838</u>	<u>618,826</u>	<u>254,121</u>
Loss for the period	<u>(669,415)</u>	<u>(355,478)</u>	<u>(1,441,744)</u>	<u>(1,214,625)</u>
Amortization and depreciation	<u>(22,954)</u>	<u>-</u>	<u>(63,767)</u>	<u>(46,322)</u>
<i>Research</i>				
Sales	-	-	-	-
Other revenue	-	-	-	-
Totals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the period	<u>(503,311)</u>	<u>(493,293)</u>	<u>(1,857,594)</u>	<u>(1,598,610)</u>
Amortization and depreciation	<u>(3,009)</u>	<u>(6,658)</u>	<u>(14,302)</u>	<u>(24,255)</u>
<i>Corporate</i>				
Sales	-	-	-	-
Other revenue	31,328	9,239	153,756	29,584
Totals	<u>31,328</u>	<u>9,239</u>	<u>153,756</u>	<u>29,584</u>
Loss for the period	<u>(940,712)</u>	<u>(3,557,844)</u>	<u>(2,881,624)</u>	<u>(6,811,456)</u>
Amortization and depreciation	<u>(6,272)</u>	<u>(2,875)</u>	<u>(16,785)</u>	<u>(41,143)</u>
<i>Totals</i>				
Sales	160,744	102,838	618,826	254,121
Other revenue	31,328	9,239	153,756	29,584
Totals	<u>192,072</u>	<u>112,077</u>	<u>772,582</u>	<u>283,705</u>
Loss for the period	<u>(2,113,438)</u>	<u>(4,406,615)</u>	<u>(6,180,962)</u>	<u>(9,624,691)</u>
Amortization and depreciation	<u>(32,235)</u>	<u>(9,533)</u>	<u>(94,854)</u>	<u>(111,720)</u>
Business segments				
(Statement of Financial Position)	Assets		Liabilities	
	2015	2014	2015	2014
	\$	\$	\$	\$
<i>Operations</i>	686,973	496,463	-	-
<i>Research</i>	52,208	57,031	-	-
<i>Corporate</i>	<u>5,372,807</u>	<u>8,236,430</u>	<u>970,433</u>	<u>1,259,161</u>
Totals	<u>6,111,988</u>	<u>8,789,924</u>	<u>970,433</u>	<u>1,259,161</u>

22. Segment information (cont.)

Geographic information

Australia – is the location of the head office of the parent entity and the location of the Company’s operations.

North America – is the jurisdiction of Simavita Limited and the location of Simavita US Inc.

Geographic segments (Statement of Comprehensive Loss)	Three-month period ended March 31,		Nine-month period ended March 31,	
	2015 \$	2014 \$	2015 \$	2014 \$
<i>Australia</i>				
Sales	133,284	102,838	383,727	254,121
Other revenue	31,328	9,239	153,756	29,584
Totals	164,612	112,077	537,483	283,705
Loss for the period	(1,841,877)	(4,283,514)	(5,666,982)	(9,320,166)
Amortization and depreciation	(32,088)	(9,390)	(94,427)	(111,252)
<i>North America</i>				
Sales	-	-	207,639	-
Other revenue	-	-	-	-
Totals	-	-	207,639	-
Loss for the period	(288,751)	(123,101)	(531,170)	(304,525)
Amortization and depreciation	(147)	(143)	(428)	(468)
<i>Europe</i>				
Sales	27,460	-	27,460	-
Other revenue	-	-	-	-
Totals	27,460	-	27,460	-
Profit for the period	17,190	-	17,190	-
Amortization and depreciation	-	-	-	-
<i>Totals</i>				
Sales	160,744	102,838	618,826	254,121
Other revenue	31,328	9,239	153,756	29,584
Totals	192,072	112,077	772,582	283,705
Loss for the period	(2,113,438)	(4,406,615)	(6,180,962)	(9,624,691)
Amortization and depreciation	(32,235)	(9,533)	(94,855)	(111,720)
Geographic segments				
(Statement of Financial Position)	Assets		Liabilities	
	2015 \$	2014 \$	2015 \$	2014 \$
<i>Australia</i>	5,838,023	8,706,873	958,454	684,510
<i>North America</i>	273,965	83,051	11,979	574,651
<i>Europe</i>	-	-	-	-
Totals	6,111,988	8,789,924	970,433	1,259,161

22. Segment information (cont.)

Additional segment disclosures

Other revenues - corporate includes interest received of \$153,756 (2014: \$29,584).

Expenses - corporate includes employee benefits expenses of \$1,392,562 (2014: \$1,077,792).

Assets - corporate includes cash and cash equivalents of \$4,186,284 (June 2014: \$6,844,197).

Liabilities - corporate includes trade and other payables of \$669,532 (2013: \$804,535) and provisions of \$300,901 (2014: \$236,338).

There were no intersegment sales.

Included in the above figures are the following intersegment balances:

	Consolidated	
	March 31, 2015	June 30, 2014
	\$	\$
Loans payable (Canada) and loans receivable (Australia)	2,842,887	2,559,384
Loans payable (USA) and loans receivable (Australia)	898,003	586,695

Segment products and locations

The two principal business segments of the Group are operations and research. 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 *Corporate* as they are not part of the core operations of any other segment.

Major customers

The Group has a number of major customers to which it provides both products and services. During the nine-month period ended March 31, 2015, there was one customer from whom the Group generated revenues representing more than 10% of the total consolidated revenue from operations. During the nine-month period ended March 31, 2014, there were no such customers.

23. Related party transactions

Details of Directors and Named Executive Officers ("NEOs") as at balance date

Directors

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

Philippa M. Lewis (*Chief Executive Officer*)

Ari B. Bergman (*Non-Executive*)

Damien M. Haakman (*Non-Executive*)

Craig J. Holland (*Non-Executive*)

Named Executive Officers

Thomas G. Howitt (*Chief Financial Officer / Company Secretary*)

Peter J. Curran (*Chief Technology Officer*)

Christopher R. Southerland (*Vice President, US Sales and Marketing*)

Charles B. Cornish (*Director, Sales and Marketing ANZ*)

Paul Won (*Vice President, Manufacturing and Supply Chain*)

23. Related party transactions (cont.)

Payments made to Directors and NEOs during the nine-month period ended March 31, 2015

Name and title of Directors	Period	Short-term		Post-employment	Long-term	Share-based	Totals
		Salary/fees	Other	Superannuation	Long service leave	Options	
		\$	\$	\$	\$	\$	\$
Michael W. Brown ¹ Non-Executive Chairman	2015	27,397	117,000	2,603	-	93,500	240,500
	2014	-	338,563	-	-	-	338,563
Philippa M. Lewis ² Chief Executive Officer	2015	262,500	66,719	24,938	16,779	-	370,936
	2014	175,000	518,214	19,425	-	-	712,639
Ari B. Bergman ³ Non-Executive Director	2015	49,403	2,917	3,970	-	-	56,290
	2014	35,000	16,331	-	-	-	51,331
Damien M. Haakman ⁴ Non-Executive Director	2015	33,189	165,000	-	-	-	198,189
	2014	26,250	-	-	-	-	26,250
Craig J. Holland ⁵ Non-Executive Director	2015	22,667	-	-	-	-	22,667
	2014	-	-	-	-	-	-
Peter C. Cook ⁶ Former Non-Exec. Chair.	2015	28,788	-	2,375	-	-	31,163
	2014	15,139	-	1,400	-	-	16,539
Maxwell C. Lloyd-Jones ⁷ Former Non-Exec. Chair.	2015	-	-	-	-	-	-
	2014	50,500	-	-	-	-	50,500
Sub-totals for Directors	2015	423,944	351,636	33,886	16,779	93,500	919,745
	2014	301,889	873,108	20,825	-	-	1,195,822
Name and title of NEOs							
Thomas G. Howitt Chief Financial Officer / Company Secretary	2015	182,562	10,919	14,086	-	-	207,567
	2014	-	-	-	-	-	-
Peter J. Curran Chief Technology Officer	2015	192,169	-	18,256	12,180	93,450	316,055
	2014	165,000	20,000	17,112	-	-	202,112
Christopher R. Southerland ⁸ VP, US Sales and Market.	2015	32,649	-	-	-	-	32,649
	2014	-	-	-	-	-	-
Charles B. Cornish ⁹ Dir., Sales and Market. ANZ	2015	57,509	-	-	-	-	57,509
	2014	-	-	-	-	-	-
Paul Won ¹⁰ VP, Man. and Supply Chain	2015	83,339	-	7,918	-	-	91,257
	2014	-	-	-	-	-	-
Sub-totals for NEOs	2015	548,228	10,919	40,260	12,180	93,450	705,037
	2014	165,000	20,000	17,112	-	-	202,112
Total payments made to Directors and NEOs	2015	972,172	362,555	74,146	28,959	186,950	1,624,782
	2014	466,889	893,108	37,937	-	-	1,397,934

The amounts included in the tables above in respect of the nine-month period ended March 31, 2015 include amounts paid by the Company and its subsidiaries to the individuals named and/or parties related to them, as disclosed below. The comparative information, in respect of the nine-month period ended March 31, 2014, includes amounts paid by Simavita Holdings Limited which was acquired by the Company on December 3, 2013. The following changes to Directors and NEOs relate to the period from July 1, 2014 up to the date of this MD&A:

23. Related party transactions (cont.)

Payments made to Directors and NEOs during the nine-month period ended March 31, 2015 (cont.)

1. Mr. Michael W. Brown was appointed as a Non-Executive Director of the Company and as the Non-Executive Chairman of the Board on January 7, 2015. Payments made to Mr. Brown during the nine-month period ended March 31, 2015 totalling \$240,500 comprised salary and superannuation of \$30,000 paid directly to him, and fees of \$117,000 paid to Integrated Equity Pty. Ltd., a company associated with Mr. Brown, in respect of consulting services provided to the Company in relation to its capital raising in July 2014 and other corporate matters. In addition to these payments, during the same period, a total of 500,000 options were granted to Integrated Equity Pty. Ltd. which had a total share-based payments expense of \$93,500. The consulting arrangement between the Company and Integrated Equity Pty. Ltd. was terminated with effect from December 31, 2014. In respect of the nine-month period ended March 31, 2014, capital raising fees totalling \$338,563 were paid by the Company to Integrated Equity Pty. Ltd.
2. Payments made to Mrs. Lewis during the nine-month period ended March 31, 2015 totalling \$66,719 (as disclosed above under the heading "Other") comprised a dislocation and hardship allowance of \$52,500 and certain expense payment fringe benefits totalling \$14,219. In respect of the nine-month period ended March 31, 2014, an amount of \$518,414 was paid which comprised a dislocation and hardship allowance of \$35,000, retainer fees of \$8,750, a bonus of \$50,000, certain expense payment fringe benefits totalling \$4,286, as well as a payment of \$420,378 to Dumur Asia Pacific Pty. Ltd., a company associated with Mrs. Lewis, comprising management fees of \$110,000, capital raising fees of \$285,378 and a bonus of \$25,000.
3. Following the appointment of Mr. Michael Brown as a Non-Executive Director of the Company and as the Non-Executive Chairman of the Board on January 7, 2015, Mr. Bergman relinquished the role of Acting Non-Executive Chairman effective January 7, 2015 but remained on the Board as a Non-Executive Director. Payments made to Mr. Bergman during the nine-month period ended March 31, 2015 totalling \$2,917 (as disclosed above under the heading "Other") comprised fees paid to Estley Pty. Ltd., a company associated with Mr. Bergman (2014: \$16,331).
4. Payments made to Mr. Haakman during the nine-month period ended March 31, 2015 totalling \$165,000 (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 in relation to its capital raising in July 2014.
5. Mr. Holland was appointed as a Non-Executive Director of the Company on November 14, 2014.
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. Mr. Lloyd-Jones was appointed as a Director of the Company and as Non-Executive Chairman of the Board on November 20, 2013. He subsequently resigned as a Director of the Company on January 31, 2014.
8. Mr. Southerland was appointed as Vice President, US Sales and Marketing on March 16, 2015.
9. Mr. Cornish was appointed as Director, Sales and Marketing Australia and New Zealand on March 1, 2015.
10. Mr. Won was appointed as Vice President, Manufacturing and Supply Chain on October 27, 2014.

Apart from the above, there were no other transactions between the Company and any related parties during the nine-month period ended March 31, 2015.

24. Financial risk management

Financial risk

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 condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and they should be read in conjunction with the Group's annual financial statements for the year ended June 30, 2014. There have been no changes in the risk management department or in any risk management policies since year end.

24. Financial risk management (cont.)

Fair value estimation

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 March 31, 2015 (as set out in the statement of financial position) approximate their carrying values due to the short term nature of these instruments.

25. Subsequent events

On April 9, 2015, the Company issued a total of 18,431,935 common shares and CDIs to institutional and sophisticated investors in Hong Kong, the USA and Australia (the "Placement"). The issue of the securities under the Placement, at the issue price of \$0.45 per security, raised a total of \$8,294,371, before the payment of associated expenses.

On April 10, 2015, the Company granted a total of 1,990,000 unlisted stock options to five key executives of the Company pursuant to a formalised incentive scheme between Simavita and the respective recipients. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at prices ranging from \$0.51 to \$0.76 per share at any time up to, and including, March 31, 2019.

On May 21, 2015, Mr. Warren Bingham was appointed as a Director of the Company.

On May 22, 2015, the Company issued a total of 85,555 common shares and CDIs to two Directors of the Company, or to parties related to them. The securities, which were issued at a price of \$0.45 each, were issued subject to the approval of the Company's shareholders that was received on May 21, 2015.

Apart from these transactions, there were no events that have occurred subsequent to March 31, 2015 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

26th Floor, 700 West Georgia Street
Vancouver BC V7Y 1B3
Canada

Head Office

Level 13, 54 Miller Street
North Sydney NSW 2060
Australia

Telephone: +61 2 8405 6300

Facsimile: +61 2 8088 1301

Email: customerservice@simavita.com

Company website

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

Computershare Investor Services Inc.
Level 2, 510 Burrard Street
Vancouver BC V6C 3B9
Canada

Telephone: +1 604 661 9400

Facsimile: +1 604 661 9549

Website: www.computershare.com

CDI Register

Computershare Investor Services Pty. Ltd.
Yarra Falls, 452 Johnston Street
Abbotsford Vic. 3067
Australia

Telephone: +61 3 9415 5000

Facsimile: +61 3 9473 2500

Website: www.computershare.com.au