



## ASX ANNOUNCEMENT

### Simavita releases progress update

For Immediate Release:

20 October, 2016

Sydney, Australia – Simavita Limited (“Simavita” or the “Company”) (ASX: SVA) today delivered a progress update to the market. In a few short months the Company has delivered significant change. We have:

- **Substantially increased sales, whilst reducing cost of goods sold, for our existing product range SIM™. Details of financial results will be included in the Company’s forthcoming Appendix 4C announcement to the ASX.**
- **Materially reduced operating costs and outward cash flow.**
- **In record time, our team has delivered a new and exciting incontinence management product AssessPLUS for new markets with significant unmet need.**
- **Achieved a number of land mark transactions particularly in Australia and Europe.**

#### Background:

Simavita is a world leader in the provision of smart, wearable and disposable sensors in the automated assessment and management of incontinence. Globally, the management of incontinence impacts many millions of people who range from seniors, the disabled and those with significant illness. The market is in the billions of dollars.

In late April 2016, Simavita’s major shareholders moved to provide new financing to the Company and to introduce change management, including the formation of a largely new Board of Directors. This strategic change was a significant vote of confidence in the Company’s technology platform, its people and its future.

#### Corporate Strategy:

Fundamental to strategic change at Simavita was the recognition that:

- The Company could not wait to identify and engage a new Chief Executive Officer. Rather, the Board immediately instituted significant change whilst working closely with Executive Managers located in research and development, sales and marketing in our core territories of Australia, Europe and North America as well as corporate commercial management. A CEO will be appointed in due course.
- All non-essential costs incurred by the Company had to be immediately eliminated and all costs tightly controlled well into the future.
- The Company needed to take a fresh approach to its market and to clearly understand what was required by the market. As a consequence, Simavita committed to the rapid delivery of new product that would break down barriers to market entry and open significant new market opportunity outside institutional aged care.
- Simultaneously, Simavita sought to maximize immediate sales results from its existing Smart Incontinence Management product (SIM™) and to maximize our reach within existing institutional aged care markets.

## **Delivery Milestones:**

In line with the Company's mission, we have delivered the following major milestones. These milestones are in addition to the financial results of the Company for the First Quarter which be reported shortly and include:

### **Product:**

AssessPLUS, Simavita's first totally new product, will deliver simple and cost effective management and assessment of incontinence for new and major markets including Community Care and the disabled living at home. AssessPLUS is in its final stages of pilot customer reviews and acceptance testing. AssessPLUS was identified in May 2016 as part of the change management process, specified, developed and has been delivered on schedule and within budget.

AssessPLUS has been designed to be a cost effective "out of the box" incontinence assessment and management solution for carers operating within the National Disabilities Insurance Scheme and for carers looking after the elderly in their own homes. We envisage that AssessPLUS will deliver an extremely easy to use solution, designed to reduce the cost of incontinence whilst dramatically improving the quality of life for those suffering from incontinence. Our clear experience is that those people using Simavita Incontinence Management solutions regain confidence to socialise, improve hydration and reduce hospital visits through the reduction or elimination of falls, urinary tract infections and skin problems.

Our existing incontinence solution for institutional use, SIM™ Version 4.12, was delivered in July 2016 to existing users and incorporates improved intuitive reporting, enhanced user interface on the SIM™ tablet and support for multiple facilities per server. These significant enhancements greatly assists our aged care group customers.

Simavita has developed a clear and ongoing product road map for the rapid delivery of new product to areas of significant and unmet need in the field of smart, wearable and disposable sensors for the health care industry.

### **European update:**

Market expansion in Europe is progressing ahead of schedule:

- We have strengthened our relationship with Abena and, as a consequence, extended sales in Denmark
- OneMed has been appointed as a distributor for The Netherlands and Sweden and assessments have commenced
- A distributor has been identified to cover the southern region of Germany
- Negotiations are advanced with a Spanish distributor

A land mark multi-centre clinical trial across 2 countries has been agreed with University of Maastricht in The Netherlands and Ghent University in Belgium to start early in the new year.

### **North American update:**

A new Canadian distributor, Medical Mart, was recently appointed to expand sales, marketing and our distribution network in Canada. Sales continue to grow in Canada with a new long-term care facility in Ontario signing a 1 year agreement.

In the United States, we have reviewed our exclusive distribution relationship with Medline with a view to redefining our relationships in this market. The parties are currently working together to finalise a revised

distribution agreement. It is our clear intention to engage with active distributors in the region and to rapidly grow this major market.

A number of new relationships have commenced including:

- Christian Living, a long term care group in Colorado, with 3 Continuing Care Retirement Communities has signed a contract to use Simavita across the group. Continuing Care Retirement Communities include Skilling Nursing, Assisted Living and Independent Living facilities co-located on a single campus.
- A long term care group with 45 facilities has contracted to conduct a pilot at 2 of its Arizona facilities.

#### **Australian update:**

The Australian sales team has been refreshed. We're delighted to announce the appointment of Mr Brett Maybery as ANZ Sales Director. Brett has an enviable record in aged care sales and, in particular, has been successfully building significant sales in the field.

We have also set about building a strong sales team with a broad focus on aged care, community care including the National Disability Insurance Scheme (NDIS) as well as hospitals.

The new team has already built a strong pipeline that includes 4 new customers as well as sales of our new AssessPLUS product into existing customers. Furthermore we have determined 3 new and focused distributors for the region. In addition during the period, 4 new aged care facilities have agreed to implement SIM™.

We have decided to extend our network into New Zealand and have identified a strong and highly experienced partner to target the aged care and hospital markets.

With the imminent launch of AssessPLUS, the team have been focused on introducing new customers in the home care and disability care markets with highly encouraging early results. A recent trial with disability participants has shown very positive clinical results. Importantly, the trial pointed toward a strong reduction in real costs with a greater than 20% reduction in incontinence pads after implementing the SIM™ product capacity recommendations. A further 2 trials of disability participants are in the planning stages.

The Company has recently been confirmed as an Approved Provider under the National Disability Insurance Scheme (NDIS). When fully implemented in 3 years' time the NDIS estimate that they will spend \$230 million per annum on incontinence pads. As an organisation we are firmly focused on this opportunity, to work closely with service providers and NDIS participants.

#### **Conclusion:**

**Simavita has completed the first major step in the restructuring of its activities. Our commitment is to continue to rapidly evolve as we strive toward substantial increases in sales, enhanced by the development of new product and the appointment of new distributors.**

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

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## **About Simavita**

Simavita is a company established to deliver innovative continence solutions for our customers, developed in ethical collaboration with healthcare professionals.

Simavita's patented and leading assessment tool is designed to dramatically improve the quality of life for those suffering from incontinence. For operators, hospitals and rehabilitation centres, this enables care providers and other institutions to significantly lower their material costs and reduce the time required to manage incontinence in patients.

Operating in Australia, Europe and North America, conducting assessments is mandatory in these countries and the incontinence assessment creates an influential element of care of each individual.

## **Forward-Looking Information**

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

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

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