



ASX ANNOUNCEMENT

Secures commitment for \$1.4m financing by way of unsecured convertible notes Funds to be used to progress major licensing opportunities for AlertPLUS™

For Immediate Release:

15 March 2018

Sydney, Australia – Simavita Limited (the Company) (ASX: SVA) today announced that it has received commitments from a number of investors for a AUD 1,400,000 financing by way of unsecured convertible notes (**2018 Notes**).

The subscription and issue of the 2018 Notes is subject to CDI holder approval at a General Meeting to be held during April 2018. The Notes are convertible at any time at AU\$0.04 per CDI. A summary of the 2018 Note Terms attached to this announcement describes limited circumstances where the conversion price may differ, or may be subject to possible later 'true up'.

The Company also intends to leave open the 2018 Notes capital raising offer with the possibility to raise a further \$100,000 by way of unsecured, convertible notes on the same terms as the proposed 2018 Note and will confirm details if there are any additional commitments.

It is intended that the funds to be subscribed for the 2018 Notes will be applied for working capital purposes, including to allow the Company to continue implementation of the Company's PIVOT strategy.

Key to our strategy is the commercialization of AlertPLUS™, the Company's industry disruptive, platform technology for mass markets associated with a USD21bn global industry for adult and infant diapers. As previously announced, Simavita is actively pursuing licensing discussions with a number of major manufacturers in both North America and Europe.

AlertPLUS™ consists of an App downloaded to a smart device which continuously monitors for diaper wetness via a hyper low cost and disposable sensor embedded within a diaper. The App automatically alerts a carer/parent when to change the diaper. AlertPLUS™ is a platform for continuous innovation in patient and infant care, whilst immediately delivering a highly efficient tool to monitor and to better care for infants and adults.

A more detailed description of the material terms of the 2018 Notes will be contained in the Company's Notice of Meeting (seeking that shareholder approval) to be issued and sent to CDI holders shortly. For further information, please check our website (www.simavita.com) or contact:

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About Simavita

Simavita (ASX: SVA) develops and markets advanced systems associated with smart, wearable and disposable sensors for the global diaper manufacturing industry and also for the aged and disabled care markets. This industry currently generates approximately USD 21bn in annual revenues.

Simavita offers an extremely low cost sensor platform technology for everyday use in all adult and infant diapers. AlertPLUS™ is incorporated into the diaper manufacturing process and connects to your smart device via an App. The platform is ready for partnering with major international diaper manufacturers.

Simavita's technology portfolio also includes AssessPLUS™, an easy to use tablet based product for the assessment of incontinence which delivers a personalised, evidence base incontinence care plan.

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

The key terms from the 2018 Convertible Note Deed are summarised as follows:

Term	Description
Use of Funds:	Company's working capital purposes.
Interest:	Coupon rate of 10% per annum, with all interest payable upon the Maturity Date or convertible upon conversion less any applicable withholding tax.
Maturity Date:	31 March 2019
Security and priority:	The Notes are unsecured. The money owing to each Noteholder by the Company shall rank pari passu and pro rata between each Noteholder without any preference or priority between them.
Requisite Approvals	<p>The investors are not required to subscribe and the Company is not to issue the 2018 Notes, unless and until the Company obtains all Requisite Approvals, being:</p> <ul style="list-style-type: none"> (a) Simavita members and any applicable ASX approvals, and; (b) Australian and Canadian corporate law approvals required under applicable law, regulation or policy requirements, <p>in each case for the issue of the Notes and for the issue of the CDIs upon Conversion. If the approvals are not obtained an event of default will be deemed to have occurred entitling the investors to terminate the Convertible Note Deed.</p>

<p>Convertible Notes Conversion</p>	<p>Conversion shall occur as follows:</p> <ul style="list-style-type: none"> (a) subject to (b) following, the Noteholder may at any time prior to the Maturity Date elect to Convert all of the Notes into CDIs at the Conversion Price, or (b) the Notes will automatically Convert 2 Business Days after the Company completes its Subsequent Financing Event (being an aggregate amount of at least \$1.5 million) where the issue price per security in that Subsequent Financing Event is equal to or greater than \$0.05 per CDI, at the Conversion Price (Mandatory Conversion); <p>The amount of debt converted is the Face Value of all Notes then held by the Noteholder together with accrued by unpaid interest (less any applicable tax) (Conversion Amount). The number of CDIs to issue is calculated by dividing the Conversion Amount by the Conversion Price, where Conversion Price is</p> <ul style="list-style-type: none"> (c) \$0.04 per CDI upon a Mandatory Conversion or conversion by the Noteholder (other than under (d) and (e) below) (d) the lower of (i) price at which funds were raised under a Subsequent Financing Event; and (ii) \$0.04; depending upon when the Conversion occurs in relation to that Subsequent Financing Event: (e) where the Noteholder elects to Convert the 2018 Notes on the Maturity Date; the lower of \$0.04 or the 10 Day VWAP for the period immediately preceding 31 March 2019.
<p>Conversion Price Adjustment</p>	<p>Subject to certain conditions, the number of CDIs already issued on Conversion to a Noteholder is subject to a potential subsequent adjustment (True Up) if there is a Subsequent Financing Event prior to 30 March 2019 at a price less than \$0.04 per CDI, in which case the Company must after that Subsequent Financing Event, issue to that Noteholder additional Securities at no additional cost to that Noteholder. The number of "True Up Securities" to be issued is equal to the number of additional CDIs that need to be issued to that Noteholder so that the aggregate number of CDIs into which that Noteholder's Convertible Notes have already been Converted plus the True Up Securities on adjustment is equal to the Conversion Amount divided by the price at which funds were raised under that Subsequent Financing Event.</p>
<p>Repayment:</p>	<p>Repayment of the 2018 Notes would only be required upon</p> <ul style="list-style-type: none"> (a) the Maturity Date if the Noteholder has not notified the Company that the Notes will be Converted, or (b) occurrence of an Event of Default. <p>If repayment is due the Company must redeem the relevant Notes by paying the Principal outstanding and all accrued but unpaid interest.</p>

Events of default:

The Convertible Note Deed also includes customary events of default including –

- the Company breaches a material term of the Convertible Note Deed;
- occurrence of an insolvency event;
- failure to obtain a Requisite Approval within the time periods;