



## Philippa Lewis Discusses Current Capital Raising Activities and Deployment of SIM™

For Immediate Release

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**Sydney, Australia** – Simavita Limited (ASX: SVA; TSX-V: SV) (“Simavita” or the “Company”) is pleased to invite investors to listen to an audio interview with CEO, Philippa Lewis, where she discusses key elements of their current capital raising activities and the strategy being followed in the deployment of the Company’s Smart Incontinence Management (or SIM™) solution with Board Room Media.

In this audio interview, Mrs. Lewis covers:

- A summary of current capital raising activities including the SPP.
- Use of funds in the deployment of business plans for the SIM™ platform.
- Details around the SIM™ roll out strategy and execution in our core markets.
- A description of the working capital cycle in signing up new customers.
- An overview of our addressable market and positioning of SIM™.

To listen to the audio interview, please [click on this link](#).

### Interview transcript with Board Room Media

-Begins-

**Will:** Hello and welcome. I'd like to introduce Philippa Lewis, CEO of Simavita to talk about the company's current fund raising activities.

Philippa, last week you announced the results of the first part of a capital raising program. Can you start the interview by telling us a little bit about where you are at with the current funding activities and the major purpose of this new capital raise?

**Philippa:** Yes, hi Will and hello to our listeners.

Yes, we announced last week that we raised \$1.6 million at 15 cents per share with a 1:5 option, and shares were placed with a mix of new and existing sophisticated and institutional investors. It's important to note that the \$1m of the \$1.6m will require shareholder approval.

There is an SPP which is currently running and is also at 15 cents per share with a bonus share for every 20 purchased.

We are also able to make further placements and are actively engaged with interested investors on this front.

**Will:** So Philippa, why the need for funds?

**Philippa:** Will, Simavita is a young growing company and with this territory comes the need for ongoing management of our capital requirements. It's in line with implementing our strategy to roll out our Smart Incontinence Management (or SIM™) platform globally.

We are starting to build revenues in North America, Europe and Australia. I acknowledge the revenues have been slower to be recognised than expected, and this in part is due to the transition of our distribution strategy in North America. We have made that adjustment now, which is involved in stepping up our own direct sales efforts across North America. Now we have an excellent small team here in the US, and we are starting to see some really rapid sales conversion taking place, and that's really as a result of that change.

It will take time for revenues to balance our expenses and as a result, we have needed to raise these additional funds.

**Will:** Philippa, how much new funding do you need?

**Philippa:** The current objective is really to shore up our funding requirements and this represents the working capital for us to continue to execute our business plans across the core markets that we are operating in.

As I mentioned, we have raised \$1.6 million so far and we can raise a further \$2.5 million in the SPP. We are also able to place stock under our placement capacity and we are in discussions with a number of investors who believe that becoming a Simavita shareholder at this point represents significant value, given of course the company's current valuation. Our closing cash balance at the end of December 2015 was \$2.4 million and aside from funds being raised through the capital raising program, we have also just announced the receipt of a \$1.27 million refund under the R&D tax incentive scheme.

**Will:** So Philippa, Shareholders would have noted the recent negative movement in Simavita's share price. Do you expect a strong take-up in the SPP?

**Philippa:** Look we are very aware that the SPP may not be attractive to all shareholders given the current share price being lower than the SPP price, although you have to say who knows where our share price will end up by the time we close the SPP. For some shareholders though, it will remain a very attractive opportunity to purchase more stock in Simavita.

And while we note the concerns shareholders have with our share price and are also acutely aware of the current downward pressure that the price has faced, our story remains extremely strong. We are very focused on delivering against the strategy of building long term value for shareholders through the sale of SIM™ across our markets.

The most important thing though that we can do for shareholders is to continue to implement and hone our strategy, execute from a sales and distribution perspective as quickly as possible and to monitor and address our capital requirements.

**Will:** Philippa, can you tell me a little more about the SIM™ and about the SIM™ roll out strategy?

**Philippa:** Yes certainly, and by the way, I am spending a great deal of my time on this, both in terms of further developing and rolling out the business plans across the strategy within with the core markets, but also ensuring that our sales teams are coming together strongly and executing very very well.

I'll run through for listeners in a nutshell how we are integrating our strategy into the execution of the business plan. And please note, we are constantly looking at better ways to roll out SIM™ and to address allied markets that have recently made themselves known to us. Importantly we look to establish the most cost effective and efficient way to penetrate each of our markets.

- So, we are really now a SaaS business model and we're supplemented with the digital sensor diapers or 'consumables' – as they are known.
- Under that SaaS model, controlling data generated by the SIM™ platform will become the company's primary value driver of the business. It's information that we sell. Monthly subscription fees are paid by aged care customers and this gives the facilities access to the SIM™ software and the IP that underpins the system. The result of the subscription fee, or Software as a Service model will be the predictable monthly generation of cash flow.
- Now selling consumables, that is the sensor enabled digital diaper which forms the basis of the 72 hour assessment kit, this will sit behind the SaaS program. The kits are supplied via a supply agreement and the number of kits required by the customer, well that will vary from site to site.

There are three aspects to our working capital cycle in growing the business which I'd like to mention at this stage, as this is important I think for investors to understand when it comes to spending working capital on the roll out of this technology and in particular, the timing and quantum of cash inflows from signing up new customers:

1. The first aspect of the working capital cycle is that we need to assign working capital to ensure that our sales and marketing teams can execute the business plan.
2. We are assigning working capital to cover the temporary delay between signing up customers and contracts beginning. Some sites sign with delayed start dates and this is often due to internal planning requirements. Deployment of the technology platform in the healthcare setting is often subject to some scheduling limitations.
3. We are also assigning working capital to deploying many pilot programs and these are proven to be highly effective in converting customers to signing contracts and our conversion rate sits particularly high at 70%.

From time to time, as with all new and disruptive technologies we try to make our initial offering to new customers as attractive as possible. The main aim is to secure as many customers using the technology as quickly as possible.

**Will:** So Philippa, in recent communications, you've talked about other markets that have opened up for Simavita. Can you talk briefly about those markets and what they represent?

**Philippa:** Yes look, originally, Simavita was focused purely on selling our first application for SIM™, the 72 hour assessment, into the aged care, or long term care market. But in terms of quantum, that addressable market in aged care for just the 72 assessment is around about \$1.8b.

Now more recently, additional very large markets have emerged, we've recently announced a contract valued at just under half a million dollars with two major Queensland hospitals, but that's in a geriatric rehabilitation space. In the United States, we have also just secured our first agreement in the Assisted Living market and those markets are completely different to the Long Term Aged Care Market. We've also just

completed successfully initial pilots in the home care market all with the same product but in other markets for aging people.

So we are very excited about how much additional demand there is for SIM™ and are still working through the numbers on what these additional addressable markets might look like, but we do know that the addressable market for SIM™ in our key regions is now greater than \$1.8b, which is very very pleasing.

**Will:** Will you need further funding over time?

**Philippa:** Well Will, this will depend on revenues. We are one of the very few digital healthcare companies globalising from Australia and this is a big challenge. The capital management remains a key priority for the company.

**Will:** Thank you for speaking to us today and explaining Simavita's current fund raising activities and the company's current strategy and roll out plans which I'm sure investors have been keen to hear about.

**Philippa:** Well thanks for having me, Will.

-Ends-

For further information or to arrange a meeting with the Company, see our website ([www.simavita.com](http://www.simavita.com)) or contact:

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### About Simavita

Simavita is a digital healthcare company that has developed an innovative software platform. The first application for the platform is a world first solution for the management of urinary incontinence, with a focus on the elderly. This platform technology 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](http://www.simavita.com).

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