



ASX ANNOUNCEMENT

Simavita Announces -

- changes to the Board and management
- strong support from existing shareholders for the Company
- additional financing / issue of Notes

For Immediate Release:

April 27, 2016

Sydney, Australia – Simavita Limited (“**Simavita**” or the “**Company**”) (TSXV: SV, ASX: SVA) today announced that the Company, supported by its major shareholders, has completed a review of its Board, operations; executive management and working capital.

With immediate effect, changes to the Board have been implemented, new funding facilities have been made available and a change to the future strategy of the Company has commenced. The Company has now applied for immediate re-quotations of its securities on the Australian Securities Exchange (“**ASX**”) and to lift the halt on the Canadian TSX Venture Exchange (the “**TSX-V**”).

In summary -

Changes to Board of Directors:

Industry heavyweights, Mr Michael Spooner and Dr Gary W. Pace have been appointed non-executive Chairman and non-executive Director respectively.

As a consequence of the changes to Board composition and review of strategic direction, the Chairman of Simavita Mr Michael Brown and Managing Director / CEO Ms Philippa Lewis have both agreed to step down. The Company would like to thank Mr Brown and Ms Lewis for their contributions over a number of years.

Immediate Funding:

The Company has issued secured notes which has raised AUD\$3,063,000 to assist in meeting the Company’s immediate obligations and to provide a clear runway for a major restructuring of the Company’s operations and implementation of a new strategy.

The terms of the secured note issue provide that the secured notes will automatically convert into CDIs on the Company obtaining shareholder approval. An Extraordinary General Meeting is to be convened as soon as reasonably possible to consider approval of this conversion. Further details of the secured note issue are outlined in the attached schedule.

The conversion price under the secured notes is AUD\$0.05, which is greater than a 10% premium to the closing price of the Company's securities on the ASX at last close.

The Company is also in final discussions with other major shareholders / investors with the objective of raising further funds (circa \$3.4 million) from sophisticated / wholesale investments also at AUD\$0.05 per CDI. Any such private placement would be subject to prior shareholder approval to the extent it exceeds the Company's placement capacity under ASX Listing Rule 7.1 and will be subject to any regulatory

approval, including the approval of the TSXV. Details of any further capital will be announced immediately on entry into the binding subscription agreements.

Company Strategy:

There is clear belief by those providing this further funding for the Company in: (i) its staff, (ii) its leading intellectual property position; and (iii) its international market opportunity.

Fundamental to the changes being implemented will be a review of the Company's strategy to significantly build a sales in the short term, particularly within the US and to immediately and materially reduce and refocus costs away from overheads. Further details relating to strategic development will be announced in due course.

Incoming Non-Executive Chairman Mr Michael Spooner said *“I’m delighted to be appointed to the Board of Simavita. I believe that this is a company and technology with significant market potential far beyond its current status. Our opportunity is to rapidly build a commercially focused business and to bring with us those who have committed to the future of the Company. I am particularly focused on building shareholder wealth and to communicating regularly and clearly on the progress of the Company.”*

Details of the new Board composition:

Concurrently with the issue of the secured notes, Mr Spooner and Dr Pace have been appointed to the Company’s Board as casual vacancies, subject to TSX-V approval. Both Mr Spooner and Dr Pace will stand for election at the next annual general meeting of shareholders.

Messrs Craig Holland and Warren Bingham will remain on the Company’s Board for a transitional period pending the appointment of new directors.

Mr Spooner is a well-known company director with an established and successful track record in international finance and in the rapid growth of publicly listed companies. He is a current and past board member of a number of highly successful and listed corporations including dual listed Mesoblast Limited. He is a past partner with two of the world’s largest international consulting firms.

Dr Pace is a seasoned biopharmaceutical executive with over 30 years of experience in the industry. He has co-founded a number of early stage life science companies, where he built products from the laboratory to commercialization. Dr Pace is currently a Director of ResMed Inc. (NYSE: RMD) together with a number of other US and Australian public companies. Dr Pace holds a Bachelor of Science (Honors) from the University of New South Wales and a PhD from MIT, where he was a Fulbright Scholar.

Additionally, Ms. Peta Jurd has resigned as Interim Chief Financial Officer of the Company. She will remain as Chief Commercial Officer. The Board will seek to replace the Chief Financial Officer position shortly.

As indicated, the newly constituted Simavita Board will undertake a strategic review with the objective to maximise shareholder value and also review working capital requirements / expenditure program. As part of that review, the current position of Managing Director / Chief Executive Officer has become redundant. This review will also include role and scope of duties of the Company’s executive team and exploring potential new financing opportunities. Details of that review will be announced as soon as it is completed.

For further information, please check our website (www.simavita.com) or contact the persons outlined below.

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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 sites 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 final approval from the TSX-V of the secured note financing, obtaining shareholder approval with respect to the conversion of the secured notes, the use of proceeds, the potential amount, timing and close of the private placement of CDIs, the future strategy of the Company and successful completion of future financings. 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.

Schedule – Details of secured Note issue

The Company has entered into a secured note deed ("**Note Agreement**") pursuant to which it has issued a secured note ("**Note**") for an aggregate principal amount of AUD\$2,063,000 (the "**Financing**") to Dussman Pty Ltd ACN 109 564 687 as trustee for the Devonia Investment Trust and entities associated with Messrs Craig Holland, Warren Bingham and Michael Brown (together the "**Related Noteholders**").

In addition the Company has issued Notes for an aggregate principal amount of AUD\$1 million to other non related investors on the same terms as the Related Noteholders. All of the subscribers for the Notes are exempt person/s under Chapter 6D of the Corporations Act 2001 (Cth), i.e. wholesale and sophisticated Investors.

The Company has agreed to pay up to \$100,000 in reimbursement of noteholder transaction costs (except for any costs incurred by Messrs Craig Holland, Warren Bingham and Michael Brown) and entered a general securities deed poll granting a first ranking charge over all of Simavita's assets and undertakings in Australia in favour of each holder under the Note Agreement.

ASX Waiver:

Dussman Pty Ltd currently holds approximately 36% of the issued and outstanding CDIs in the Company and the other Related Noteholders are currently directors of the Company.

Simavita also wishes to announce that it was granted an ASX Waiver in relation to ASX Listing Rule 10.1 for entry into the Note Agreement as follows:

ASX Limited grants Simavita Limited a waiver from listing rule 10.1 to the extent necessary to permit the Company to grant security over the assets and undertaking of the Company and its subsidiaries to the Related Noteholders under a proposed general security deed ("**Security**") to be granted in connection with the subscription by the Related Noteholder, without obtaining securityholder approval on the following conditions.

1.1 The Security includes a term that if an event of default occurs and any of the Related Noteholders exercise their rights under the Security, neither the Related Noteholder nor any of its associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries in full or part satisfaction of the Company's obligations under the Security, or otherwise deal with the assets of the Company, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person, including without limitation an administrator or liquidator) appointed by the Company or any of the Related Noteholders (or another securityholder or secured creditor) exercising its power of sale under the Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to the Company and/or any of the Related Noteholders in accordance with their legal entitlements.

1.2 A summary of the material terms of the Security is made in each annual report of the Company during the term of the Security.

1.3 Any variations to the terms of the Security which is:

1.3.1 not a minor change; or

1.3.2 inconsistent with the terms of the waiver,

must be subject to securityholder approval.

1.4 The Company and the Related Noteholders must seek to discharge the Security when the funds advanced under the secured notes are either repaid to the Related Noteholders or converted

into CDIs (assuming securityholder approval for their convertibility is subsequently obtained), or if it is not discharged, seek securityholder approval for the continuation of the Security for any further period.

1.5 The Company immediately releases to the market an announcement which sets out the terms of the waiver upon finalisation of the agreement with Related Noteholders.

Key terms under the Note Agreement:

The Notes bears interest at a rate of 8% per annum, with all interest payable 18 months from the advance of funds (if not converted). The Note when issued will remain secured debt notes, not convertible into equity (being CDIs) unless and until the Company obtains all requisite approvals including ("**Requisite Approvals**"):

- (a) shareholder and CDI holder approvals where required under the applicable listing rules of the ASX or TSX-V ("**Shareholder Approval**");
- (b) ASX and TSX-V regulatory approvals or consents; and
- (c) Australian and Canadian corporate law approvals required under applicable law, regulation or policy requirements,

for the Notes to be Convertible into CDIs and for the issue of the CDIs upon Conversion.

If the Requisite Approvals are not obtained within 70 days of the issue of the Notes (or any later agreed date), then that failure shall be regarded as an event of default, entitling the holder to require repayment of the Note. Other events of default include usual or customary events of default, such as material term of the Note Agreement, insolvency, Court judgement in excess of \$100,000 and any warranty being materially misleading or untrue.

Upon Shareholder Approval being obtained, the amount outstanding pursuant to the Note **automatically converts** into CDIs at a conversion price of AUD\$0.05 per CDI ("**Conversion**"). Each CDI issued in Australia will represent one common share of Simavita ("**Share**") and will rank equally with existing CDIs. Pursuant to the requirements of the ASX, conversion of the Notes requires Shareholder Approval, which will be sought as soon as possible.

All CDIs issued pursuant to the Conversion of the Notes are to be fully tradeable and listed on the ASX with the same rights as existing listed CDIs. The Financing is subject to final approval of the TSX-V and the CDIs will not trade on the TSX-V but if the noteholder wishes to trade Shares on the TSXV, the Shares will be subject to a four month hold period on the TSX-V.

The net proceeds will be used by Simavita for general working capital purposes.

In connection with the Financing and upon Conversion of the Notes, the Related Noteholders will have acquired beneficial ownership of 41,260,000 CDIs. The issuance of the Notes to the Related Noteholders is a "related party transactions" under the policies of the TSX-V and Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is relying on exemptions from the minority shareholder approval and formal valuation requirements applicable to the related party transactions under Sections 5.7(e) and 5.5(g), respectively, of MI 61-101. There has been no prior formal valuation of the securities issued in the Financing as there has not been any necessity to do so. The Financing has been reviewed and unanimously approval by the independent members of the Board of Directors, being Craig Holland and Warren Bingham.