

Simavita

ASX ANNOUNCEMENT

MARKET UPDATE

For Immediate Release:

1 July, 2020

Sydney, Australia – Simavita Limited (“Simavita”) (ASX: SVA) today updated the market with respect to the impact of COVID-19 on the Company’s activities and on its issued Convertible Notes.

Announcement Summary

Over the past several months, the Company has remained focussed and has accomplished a number of major goals. In summary, the Company is well funded to meet its immediate needs and has been ready to roll out its technology to major international markets since early 2020. The COVID-19 pandemic, however, has materially impacted a number of the Company’s activities arising from:

- The closure of the international aged care market due to the extreme risk of mortality
- Manufacturing partners overwhelmed by market demand and changes to manufacturing.

During this slow-down period, the Company has taken the opportunity to focus on technology enhancements and in materially strengthening ties with partner organisations.

Convertible Notes

Currently, the Company has two Convertible Note series, 2018 Notes and 2019 Notes.

In May 2020, the holders of the Company’s 2018 Convertible Notes (2018 Notes) agreed to a 9-month extension of their maturity date through to December 2020.

In respect of the 2019 Convertible Notes (2019 Notes), there were various conversion price scenarios as set out in more detail in the notice materials that were issued to shareholders on 31 May 2019. The 2019 Notes have a Maturity Date of 30 April 2022, and can be converted at any time by Note Holders or automatically by the Company in certain circumstances, including upon a qualifying capital raise. As of the date of this announcement, should noteholders at any time hereafter elect to convert then:

- Conversion of the 2019 Notes may result in the issue of at least 644,495,714 new CDIs representing an expanded issued capital of 114% or approximately 1.2bn CDIs. This includes accrued interest as at 30 June 2020.
- Such conversion will be dependent upon the timing and extent of conversion that each Note Holder may elect to convert up to their Maturity Date of 30 April 2022. To date no conversion notices have been received.

The appropriate ASX notifications will be made when CDIs are issued by the Company on conversion of any of the 2019 Notes.

Operations During COVID-19

The Company has used the past several months to materially enhance the Company’s Smartz™ platform technology. Developments include:

- Advanced electronics and applications. Smartz™ now delivers a significantly expanded range of applications, flexible graphical user interface and powerful reporting tools from Cloud Based and highly secured data. Smartz™ now seamlessly delivers at home and in complex institutional settings.
- Manufactured adult and infant Smartz™ enabled diapers across multiple geographies and multiple product types and sizes. Full commercial manufacturing from a standing start can now occur within days.
- Secured logistics supply chains in the event of further disruptions.

- Significantly enhanced regulatory documentation, systems security and data confidentiality.
- Apps are now downloadable from multiple App Stores.
- The Company has materially completed planning and international training necessary to roll out product to a number of countries. However, due to COVID-19 requirements to completely lock down aged care facilities, this key target will remain in abeyance until the international community reopens.

Importantly, since the beginning of the calendar year the Company has engaged and significantly progressed discussions with a number of major industry partners. These discussions and future partnerships are key to the Company's core strategy as a technology provider to the estimated USD64bn international diaper industry.

The Company believes it is now well prepared to roll out its reorganisation strategy.

The Impact of COVID-19 on the International Diaper Industry and Simavita

COVID-19 has had an overwhelming impact upon aged care and to the diaper industry generally, including:

- International reports indicate that over 50% of COVID deaths have occurred in aged care.
- Aged care has been and continues to be in lockdown.
- Diaper manufacturers have been overwhelmed due to increased demand, whilst contending with significant staffing and production capacity losses.

As a consequence, the Company and our partners have not been able to progress key customer facing activities including clinical and market testing. Furthermore, it is highly likely that international markets will continue to be in lock down until the impact of COVID-19 upon aged care can be contained.

Whilst the Company has materially progressed the development of its technology and partnership arrangements, we have not however been able to enter market for the above reasons. This action alone has meant that whilst partner organisations have taken significant steps to move forward, none the less, there can be no commitment to long term and significant contracts until a number of small clinical studies and market assessments can be completed.

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

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This ASX announcement was approved and authorised for release by the Board of Simavita Limited

About Simavita

Simavita (ASX: SVA) is a MedTech Company focused on the development of smart, wearable and disposable platform technologies for the health care market.

Our key platform Smartz™ is a highly disruptive technology focused on transforming a traditional “dumb” diaper into a smart device to help parents and carers of both infants and adults.

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

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.

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