



ASX ANNOUNCEMENT

Simavita releases ASX Appendix 4C for the quarter ended September 30, 2017

For Immediate Release:

October 31, 2017

Sydney, Australia – Simavita Limited (“**Simavita**” or the “**Company**”) (ASX: SVA) today reported its 30 September, 2017 quarter results together with financial highlights during the period.

Highlights included:

- Simavita ended the quarter for the period to 30 September, 2017 with cash reserves of AUD\$1.64 million. Since the end of the quarter the Company received \$964,321 under the Australian Government’s Research and Development Tax Incentive Scheme relating to the 2017 year. The net cash inflow to the Company after repayment of the Receivable Finance Facility and payment of fees is \$215,179.
- The Company is currently finalising additional funding through the issue of Convertible Notes. To date in excess of \$1m has been committed. Funding will be finalised in the next 2 weeks.
- The Company does expect to be able to continue its operations and meet its business objectives on the basis of being successful in raising additional funds as outlined above.
- Labour costs continue to be reduced with costs for the quarter of \$935k down from \$1.63m, excluding abnormals, for the corresponding period in the previous year.
- European sales continue to grow through our distributor OneMed who recently won a 3-year contract for AssessPLUS™ with a group of 35 facilities in The Netherlands. OneMed has also commenced assessments in Sweden and Finland. Currently discussions are underway with a 2nd major European distributor to service a number of additional EU countries including the UK and Germany. A short trial of AssessPLUS™ has been conducted in a NHS facility with positive clinical outcomes and management feedback.
- Continued tight management of operating costs with cash outflows for the quarter of \$1.48m down from \$2.14m, excluding abnormals, for the corresponding period in the previous year. Forecast cash outflows for the coming quarter are \$1.5m.
- The Company confirms that it continues to be in compliance with Listing Rules 3.1 and 12.2.

Michael Spooner, Chairman Simavita Limited said “The Company has continued to focus upon a significant reduction in operating costs. At the same time, management are committed to delivering our Pivot Strategy of rapidly building a highly valuable and profitable business. Key to our strategy is alertPLUS™. Simavita’s new platform technology which is based upon hyper low cost sensor technology for “every day use” in all adult and infant diapers.”

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

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Chief Commercial Officer

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About Simavita

Simavita (ASX: SVA) develops and markets advanced systems associated with smart, wearable and disposable sensors for the health care industry. Our first products focus on major unmet needs for the assessment and management of incontinence. The annual global economic burden is billions of dollars for incontinence diapers alone and is increasing rapidly.

Simavita operates in Australia, Europe and North America where there is a significant and growing demand for products that deliver real clinical and cost benefits to the health care industry.

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

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity SIMAVITA LIMITED
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ARBN 165 831 309

Quarter ended: 30 September 2017
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Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (three months) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	224	224
1.2 Payments for		
(a) research and development	(22)	(22)
(b) product manufacturing and operating costs	(91)	(91)
(c) advertising and marketing	(71)	(71)
(d) leased assets	-	-
(e) staff costs	(935)	(935)
(f) administration and corporate costs	(364)	(364)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(5)	(5)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other: GST refund	54	54
1.9 Net cash from / (used in) operating activities	(1,208)	(1,208)
2 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:	-	-
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-
3 Cash flows from financing activities		
3.1 Proceeds from issues of shares	80	80
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	695	695
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-

3.8 Dividends paid
3.9 Other (provide details if material)
3.1 Net cash from / (used in) financing activities

-	-
-	-
775	775

4 Net increase / (decrease) in cash and cash equivalents for the period

4.1 Cash and cash equivalents at beginning of quarter/year to date
4.2 Net cash from / (used in) operating activities (item 1.9 above)
4.3 Net cash from / (used in) investing activities (item 2.6 above)
4.4 Net cash from / (used in) financing activities (item 3.10 above)
4.5 Effect of movement in exchange rates on cash held

Current quarter \$A'000	Year to date (three months) \$A'000
2,072	2,072
(1,208)	(1,208)
-	-
775	775
6	6
1,645	1,645

4.6 Cash and cash equivalents at end of quarter

5 Reconciliation of cash and cash equivalents

at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts

5.1 Bank balances
5.2 Call deposits
5.3 Bank overdrafts
5.4 Other (provide details)

Current quarter \$A'000	Previous quarter \$A'000
1,645	2,072
-	-
1,645	2,072

5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)

6 Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000	
75	
	Directors' Fees plus superannuation

7 Payments to related entities of the entity and their associates

7.1 Aggregate amount of payments to these parties included in item 1.2
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000	
-	
-	
None	

8 Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities
8.2 Credit standby arrangements
8.3 Other: 2017 R&D tax incentive-Receiveable Finance Facility

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
None	None
None	None
695	695

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Finance provider: Antray Group Pty Ltd.
Loan secured by the Group. Establishment fee at 5.4% p.a. and capitalized interest at 16% p.a. Facility to be repaid by the Group once the 2017 R&D tax incentive is received from the ATO.

9 Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(50)
9.2 Product manufacturing and operating costs	(100)
9.3 Advertising and marketing	(100)
9.4 Leased assets	-
9.5 Staff costs	(900)
9.6 Administration and corporate costs	(350)
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	<u>(1,500)</u>

10 Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Not applicable	Not applicable
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



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Company secretary

Date: 31 October 2017
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Print name: Peta C. Jurd

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2 If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.