



ASX ANNOUNCEMENT

Simavita releases ASX Appendix 4C for the quarter ended December 31, 2016

For Immediate Release:

January 30, 2017

Sydney, Australia – Simavita Limited (“**Simavita**” or the “**Company**”) (ASX: SVA) today reported its 31 December, 2016 quarter results together with financial highlights during the period.

Highlights included:

- **Simavita ended the second quarter for the financial year to end 30 June, 2017 with cash reserves of AUD\$3.34 million.**
- **In November 2016, Simavita formally released assessPLUS™, a new and simpler incontinence assessment tool for major markets associated with Community Care and in particular the care of the aged and the disabled living in the family home.**
- **Receipt of an R&D Tax credit refund totalling \$1.66m.**
- **Continued tight management of operating costs with cash outflows for the quarter of \$2.10m down from \$3.86m for the corresponding period in the previous year.**
- **Increased revenue by 26% to \$443k for the half year compared to prior corresponding period of \$350k.**
- **During the quarter the Company’s Canadian share registry was closed and shareholders were issued corresponding securities listed on the ASX.**

Michael Spooner, Chairman Simavita Limited said “Our single primary goal over the months leading to the close of 2016 has been to manage costs and to materially increase revenue.

Costs relative to our market spread and commitment to R&D required to maintain existing product whilst delivering new product, are tightly managed and have reduced by \$490,000 per month since early 2016.

In the second half of 2016, Long Term Aged Care operators, particularly in Australia, came under intense cost and reimbursement pressure from government sources. As a consequence, sales to this particular market segment have been affected, making our drive to rapidly increase sales year on year that much more difficult.

In May 2016 Simavita embarked upon a strategy to diversify product offerings and market focus, whilst materially increasing revenue opportunity in a rapidly growing, multi billion dollar, international market. Central to this strategy has been to rapidly deliver a series of new products, whilst creating relationships with large Community Care organisations. This strategy is taking shape. We are actively restructuring our sales and marketing effort to take advantage of these new and significant opportunities.

During the quarter under review, Simavita delivered assessPLUS™, the company's first new product aimed at new and larger markets associated with Community Care for the disabled and aged who are cared for, in the family home. I'm encouraged by strong demand and negotiation with major care organisations in Australia and the UK.

Our goals for Q1 CY 2017:

- Expand real and sustainable revenues
- Push forward with a partnership and distributor sales model. Particular emphasis will be given to organisations with an existing and substantial Community Care customer base
- We will deliver new "Peel and Apply" sensors as an important part of our product strategy. These sensors will enable us to materially reduce costs, reduce inventory whilst reducing freight costs and delivery times. "Peel and Apply" sensors will enable us to use any diaper in the assessment process.

I am grateful for the continued support of our shareholders and look forward to taking larger steps in the process of turning Simavita into a highly valuable and profitable company."

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

ARBN 165 831 309

Quarter ended: 31 December 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (six months) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	244	517
1.2 Payments for		
(a) research and development	(116)	(171)
(b) product manufacturing and operating costs	(178)	(408)
(c) advertising and marketing	(245)	(427)
(d) leased assets	-	-
(e) staff costs	(1,220)	(3,170)
(f) administration and corporate costs	(343)	(859)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,660	1,660
1.8 Other: GST refund	22	22
1.9 Net cash from / (used in) operating activities	(171)	(2,822)
 2 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(3)
(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	(1)	(3)
 3 Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
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	-	-
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	-	-

	Current quarter \$A'000	Year to date (six months) \$A'000
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	3,498	6,173
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(171)	(2,822)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1)	(3)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	22	-
4.6 Cash and cash equivalents at end of quarter	3,348	3,348

	Current quarter \$A'000	Previous quarter \$A'000
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	3,348	3,498
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,348	3,498

	Current quarter \$A'000	
6 Payments to directors of the entity and their associates		
6.1 Aggregate amount of payments to these parties included in item 1.2	75	
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		Directors' Fees plus superannuation

	Current quarter \$A'000	
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		None

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8 Financing facilities available <i>Add notes as necessary for an understanding of the position</i>		
8.1 Loan facilities	None	None
8.2 Credit standby arrangements	None	None
8.3 Other (please specify)	None	None
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.	None	None

	\$A'000
9 Estimated cash outflows for next quarter	
9.1 Research and development	(100)
9.2 Product manufacturing and operating costs	(200)
9.3 Advertising and marketing	(200)
9.4 Leased assets	-
9.5 Staff costs	(1,350)
9.6 Administration and corporate costs	(350)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(2,200)

**10 Acquisitions and disposals of business entities
(items 2.1(b) and 2.2(b) above)**

- 10.1 Name of entity
- 10.2 Place of incorporation or registration
- 10.3 Consideration for acquisition or disposal
- 10.4 Total net assets
- 10.5 Nature of business

Acquisitions	Disposals
Not applicable	Not applicable

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:
Company secretary

Date: 30/01/2017

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.