

Simavita

ASX ANNOUNCEMENT

Simavita releases ASX Appendix 4C for the quarter ended December 31, 2018

For Immediate Release:

January 31, 2019

Sydney, Australia – Simavita Limited (ASX: SVA) today reported its December 31, 2018 quarter end results.

- **Simavita ended the quarter for the period to December 31, 2018 with cash reserves of AUD\$1.15m. The Company has also received a further commitment of up to \$1m by way of convertible note (which was approved at the 2018 Annual General Meeting). The funds raised will be used for working capital and key commercialisation activities specifically focused on major markets.**
- **In line with the Company's PIVOT strategy, Simavita has developed, manufactured and patented, a hyper low cost platform technology. AlertPLUS™ is focused upon a rapidly growing USD64bn per year, infant and adult diaper industry. This industry directly impacts over 100 million people daily and has not fundamentally changed in over 25 years.**
- **Simavita continues to tightly manage ongoing operating costs with total cash outflows for the quarter of \$1.38m. This is an increase of 23% on previous quarter due to the foreshadowed ramp up of commercialisation costs, particularly in the European market. Forecast cash outflows for the coming quarter are \$1.50m including additional commercialisation costs. The Company expects its cash, including the receipt of the funds from the Convertible Note approved at the December 2018 Annual General Meeting, to be adequate to continue operations and fund its business objectives.**
- **The Company continues to enjoy the support of its major shareholders. If required, the Company will raise additional cash to fund operations and to meet its business objectives.**
- **The Company has now completed many of the key tasks associated with its PIVOT Strategy. The Company is currently releasing AlertPLUS™ to various international markets aimed at disrupting a USD64bn annual business for adult and infant diapers. Importantly, the Company is firmly focused on revenue generation and has engaged in detailed discussion with a number of significant industry players on an international basis. These are large complex projects and Simavita will advise the market in relation to these projects at the appropriate time, in line with ASX Listing Rule 3.1 and the Company's continuous disclosure obligations.**
- **As a final component to our PIVOT Strategy the Board is currently reviewing the Company's corporate structure. In light of small trading volumes associated with the**

Company's shares, traded as CDIs on the ASX, we are looking at restructuring alternatives to provide a strong base with which to move forward. The Board hopes to make further announcements as to this restructuring in the near future.

- **The Company has also continued discussions with its Convertible Note holder in relation to the proposed drawdown of up to \$1 million cash funding (as approved by SVA members on 11 December 2018 and as updated to the ASX market on 21 December 2018). At this time the Board has resolved to defer the investment until February whilst the Company further considers restructuring options.**
- **The Company confirms that it continues to be in compliance with Listing Rules 3.1 and 12.2.**
- **The above statements have been authorised and approved in accordance with the Company's published continuous disclosure policy.**

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

Our key platform AlertPLUS™ 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

+Rule 4.7B

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: 31 December 2018

Consolidated statement of cash flows

	Current quarter	Year to date
	\$A'000	(six months)
		\$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	13	214
1.2 Payments for		
(a) research and development	(48)	(92)
(b) product manufacturing and operating costs	(58)	(86)
(c) advertising and marketing	(47)	(73)
(d) leased assets	-	-
(e) staff costs	(745)	(1,437)
(f) administration and corporate costs	(484)	(816)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	731
1.8 Other: GST refund	33	66
1.9 Net cash from / (used in) operating activities	(1,335)	(1,491)
2 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(62)	(62)
(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	(62)	(62)
3 Cash flows from financing activities		
3.1 Proceeds from issues of shares	2,075	2,075
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	(29)	(29)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(709)
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

2,046	1,337
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	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	501	1,361
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,335)	(1,491)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(62)	(62)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,046	1,337
4.5 Effect of movement in exchange rates on cash held	-	5
4.6 Cash and cash equivalents at end of quarter	1,150	1,150

	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	1,150	501
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)	1,150	501

	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	124	
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	1,400	1,400
8.2 Credit standby arrangements	None	None
8.3 Other:	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.

Convertible notes issued in April 2018, which are either convertible or redeemable on 31 March 2019. Coupon rate of 10% per annum, with interest payable on Maturity Date. In October 2018, the Company has also received a signed Convertible Note agreement for the amount of \$1,000,000 which was approved at the Annual General Meeting in December 2018 with funding of \$1m expected in January 2019.

9 Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(300)
9.2 Product manufacturing and operating costs	(30)

9.3 Advertising and marketing	(100)
9.4 Leased assets	-
9.5 Staff costs	(620)
9.6 Administration and corporate costs	(450)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	<u><u>(1,500)</u></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:
Company secretary

Date: 31 January 2019

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.