



Chairman's address to 2017 Annual General Meeting

For Immediate Release

December 15, 2017

Sydney, Australia – Simavita Limited (“Simavita” or the “Company”) (ASX: SVA) is pleased to release the attached transcript of the address which will be delivered by Non-Executive Director and Chairman of the meeting, Mr Warren Bingham, at the Company’s 2017 Annual General Meeting to be held at 11.00 am this morning at the offices of Simavita Limited, L13, 54 Miller Street, North Sydney NSW 2060. The Chairman of the Board of Directors, Mr Michael Spooner, will attend the meeting by telephone.

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

Ms Peta Jurd
Chief Commercial Officer

E: pjurd@simavita.com
T: +61 421 466 653
W: Investor Centre: [Click here](#)

About Simavita

Simavita is focused upon the rapid delivery of smart, wearable and disposable sensors for the health care industry. With the support of our shareholders, customers and employees, Simavita is focused upon the business at hand; creating a commercially successful and growing corporation.

To date we have developed and are actively selling automated sensors and systems for the assessment and management of incontinence. Incontinence and the management of incontinence is a major and rapidly growing challenge. The annual cost to the global economy is in the billions of dollars and rising. It is an enormous cost that includes both incontinence materials as well as the significant time spent by carers in helping people suffering from incontinence. Most significantly, it impacts a growing community of seniors as well as people of any age who may be affected by disability and illness.

Simavita operates directly in Australia, Europe and North America where we see significant and growing demand for product that delivers real cost benefit to the health care industry and particularly for people in need.

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.

Chairman's Address to the 2017 Annual General Meeting

The Chairman's address was delivered by the Chairman of the meeting, Non-Executive Director Mr Warren Bingham. The Chairman of the Board Mr Michael Spooner was overseas and attended the meeting by telephone.

In 18 very short months, your Company completed a major restructuring of its operations and is now totally focused on driving revenue.

I'd like to take this opportunity to highlight the hard work of Simavita staff members and the demanding conditions under which our people have worked to deliver this major achievement.

I particularly wanted to thank you, our shareholders, for your support and commitment. For the immediate future ... Simavita will continue to be reliant upon our shareholders for their ongoing financial support.

The foundation to the Company's restructuring is embodied in our PIVOT strategy to rapidly deliver a Valuable, Profitable and Commercially Successful Business. In delivering our strategy, Simavita has:

- Materially and sustainably reduced our cost of operations.... Simavita's monthly costs are now less than half they were 18 months ago.
- Properly defined our market ... our brand We are firmly a company that delivers solutions for Smart, Wearable and Disposable Sensors.
- Redefine our market opportunity Simavita now focuses on a market that annually generates USD21bn in product sales and spans across adult, including aged (institutional and community) as well as disability and rehabilitation markets through to major markets associated with infant care.
- We went to our newly defined markets and asked consumers what they wanted.
- As a consequence (and within an 18 month period) we delivered 2 completely new products to underpin the future of the company:
 - Firstly - AlertPLUS™ our hyper low cost sensor for use in EVERY DIAPER EVERY DAY..... A product that monitors, detects and delivers, real time wetness event data to carers using a smart device (phone or tablet) and an easily downloadable App. Importantly, AlertPLUS™ is a platform for continual innovation and therefore a major opportunity to develop new Apps for carer and institutional use. I'm particularly delighted that Peter Curran Head of R&D will demonstrate the product to you shortly.
 - Secondly - AssessPLUS™ Our new low cost, easy to use incontinence assessment tool for "at home care" as well as institutional use. AssessPLUS™ is Simavita's opportunity to expand our base into aged community care and the Australian Government's \$22bn commitment to the National Disability Insurance Scheme (NDIS), whilst dramatically simplifying incontinence assessment.
 - We remain committed to SIM™ our original incontinence product, and focus this solution on our large institutional users, hospitals and rehabilitation units with the infrastructure and expertise necessary to drive this product.

Importantly, as part of our PIVOT strategy, we also asked ... “How can we get to new large markets without building an equally large, direct sales force?” It’s this strategy that we are now firmly focused on:

To achieve our goal of rapidly transitioning to a Valuable, Profitable and Commercially Successful Business, Simavita has restructured its sales and marketing focus. We have largely abandoned direct sales to customers and have adopted a partnership approach. Selected sales partners have large, existing businesses in highly synergistic products within targeted geographic and product market segments.

The downside impact to this approach has been to abandon small sale opportunities in the short term. Sales that have historically cost Simavita more to win and service, than the revenue generated. As a result, our immediate sales for the current quarter, will likely fall, whilst we build new partnerships and strategic relationships to generate sustainable and profitable sales.

In abandoning direct sales, the upside is that we have eliminated costs associated with direct sales teams particularly in Australia and North America where there has been no cost benefit to the Company.

Sales and Marketing Activity - AlertPLUS™

Earlier this year, Simavita announced to the ASX that we were in discussion with a number of major international manufacturers particularly in North America and Europe.

These discussions continue and are driven by a recognition that the diaper manufacturing industry has not materially changed for 20 to 25 years.

Furthermore, there is wide recognition that the industry is largely a commodity driven and enormously competitive market A market that will likely see even more competition from emerging Chinese manufacturers.

The industry must adopt “no / low cost” electronic solutions to drive sales and profitability. These electronic solutions will deliver product differentiation and enormous functionality as well as efficiency improvements over “dumb diapers”. Government, payers, institutions and carers are very clearly demanding these improvements. Indeed, we understand that at least 3 large European diaper manufacturers are rapidly progressing the internal development of their own alert product to position themselves for clear market advantage.

Our objective is to license AlertPLUS™ to a number of manufacturers internationally across both adult and infant markets and to separate geographies including Europe, North America and Asia Pacific.

That’s 6 potential customers (2 products including adult and infant by 3 geographies including Europe, North America and Asia Pacific) who individually manufacture many hundreds of millions to billions of diapers annually for millions of people.

Our market research has consisted of interviews and product demonstrations of AlertPLUS™ to purchasing decision makers. These international organisations who buy substantial quantities of diapers tell us that AlertPLUS™ will:

- Save substantial carer time by reducing or eliminating diaper checks ... enabling carers to spend greater quality time with users
- Improve quality standards
- Deliver cost savings by largely eliminating soiled linen
- Carers are comfortable with and regularly use smart devices.
- They fully support the notion that there should be NO infrastructure cost associated with the adoption of AlertPLUS™ and
- Most importantly customers will buy a smart diaper in preference to a “dumb diaper”

Simavita has full and granted patent protection for AlertPLUS™. In designing AlertPLUS™ we delivered a product that meets or exceeds a manufacturer’s requirements:

- A hyper low cost of production ... approximately 1cent per diaper
- No change to the manufacturing process or equipment used
- No impact upon manufacturing efficiencies
- A no cost App that meets customer and manufacturer requirements
- A fully manufactured and regulatory approved, Alert Product in months NOT years
- AlertPLUS™ a “low /no cost” solution that will drive sales and profit margins

Sales and Marketing Activity - AssessPLUS™

Simavita continues to provide active support for its existing users of its incontinence assessment solutions. Moving forward, our focus however is upon:

- The appointment of large partner organizations with highly synergistic products to sell and support AssessPLUS™.
- Heavily promoting the adoption of electronic incontinence assessment products by working closely with government agencies and payers. In particular, Simavita continues to accumulate data proving the significant benefits of AssessPLUS™ including;
 - Cost savings generated by the use of the right diaper at the right time
 - Improvements in quality of life matters including reductions in falls, major improvements associated with improved hydration etc

To date we have appointed a major distributor for northern Europe. This relationship is opening new opportunities on a regular basis. We are currently in active discussion with a number of corporations for the distribution of AssessPLUS™ for the remainder of Europe.

In North America we maintain a relationship with Medline and are actively pursuing new partnerships.

In key European and other larger markets, we are marketing directly to significant payers including government and specialist insurer organizations.

Stock Price and the ASX

The Board and I appreciate the concern many shareholders may have in the stock price.

Our view has been to focus on delivering outcomes in the short term. We have restructured the company, we have delivered a number of significant outcomes and are now firmly focused on significant sales activity.

We firmly believe that as the market begins to understand the size of our market and as we deliver sales, the stock price will more accurately reflect the true value we have created in the company particularly over the past 18 months.

We remain absolutely committed to this process.

Before I hand over to Peter Curran, I wanted to conclude by saying that your Company has delivered on a comprehensive restructuring of its activities, markets and products. This restructuring has been accomplished in a short period of time. We are now however clearly focused on sales we know that we have a major opportunity in front of us..... the international diaper industry resoundingly appreciates it must adopt this new technology however, the industry we are working is in conservative and it will take time to deliver the full promise and as such we are grateful for your ongoing support.

I'd like to now take the opportunity to ask Peter Curran to demonstrate AlertPLUS™

Thank you.

Warren Bingham

Chairman of the Annual General Meeting
Simavita Limited
Sydney, Australia 15 December 2017