



ASX ANNOUNCEMENT

Simavita releases market update

For Immediate Release:

29 August 2018

Sydney, Australia – Simavita Limited (**Simavita** or the **Company**) (ASX: SVA) is pleased to release today the following market update presentation outlining progress on delivering the Company's PIVOT strategy targeting a USD64bn global diaper market.

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

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About Simavita

Simavita (ASX: SVA) develops and markets advanced systems associated with smart, wearable and disposable sensors for the global diaper manufacturing industry and also for the aged and disabled care markets. This industry currently generates approximately USD 64bn in annual revenues.

Simavita offers an extremely low cost sensor platform technology for everyday use in all adult and infant diapers. AlertPLUS™ is incorporated into the diaper manufacturing process and connects to your smart device via an App. The platform is ready for partnering with major international diaper manufacturers.

Simavita's technology portfolio also includes AssessPLUS™, an easy to use tablet based product for the assessment of incontinence which delivers a personalised, evidence base incontinence care plan.

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

Simavita



SMART, WEARABLE, AND DISRUPTIVE
TECHNOLOGY

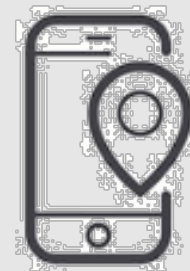
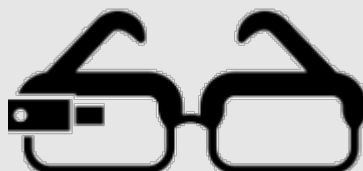
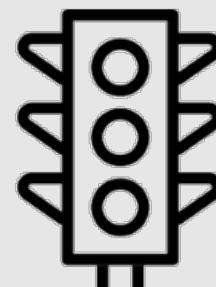
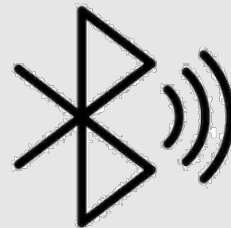
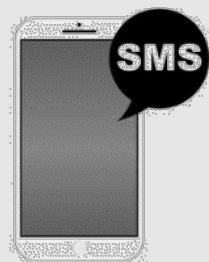
USD64Bn DIAPER INDUSTRY SERVICING OVER 100M PEOPLE

Forward Looking Statements

This presentation 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.

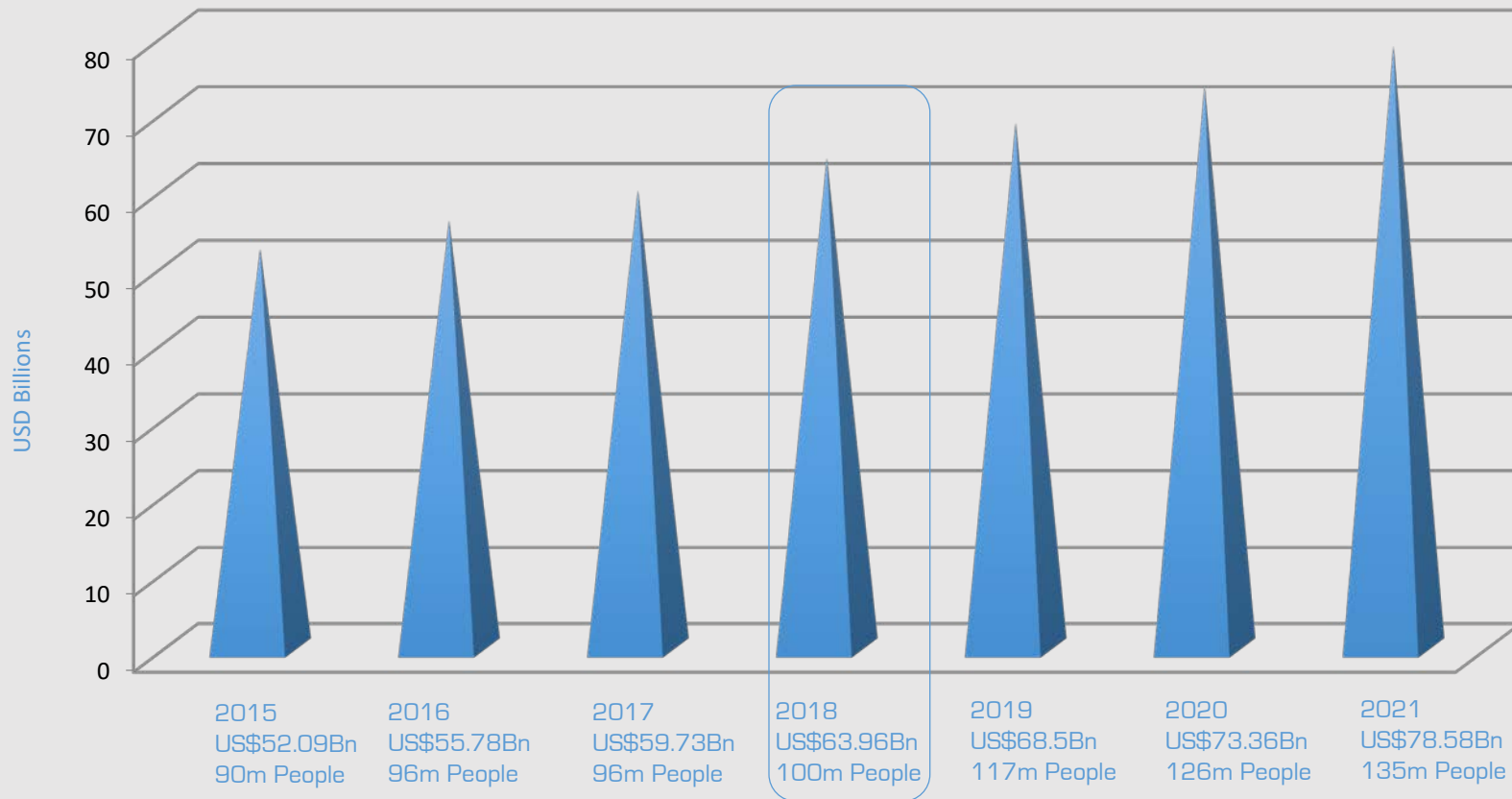
Forward-looking information relates to future events or future performance and reflects Simavita management’s expectations or beliefs regarding future events. Assumptions upon which such forward-looking information is based include that Simavita will be able to successfully execute on its business plans. 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.

Simavita makes diapers SMART and CONNECTED...



Global diaper market

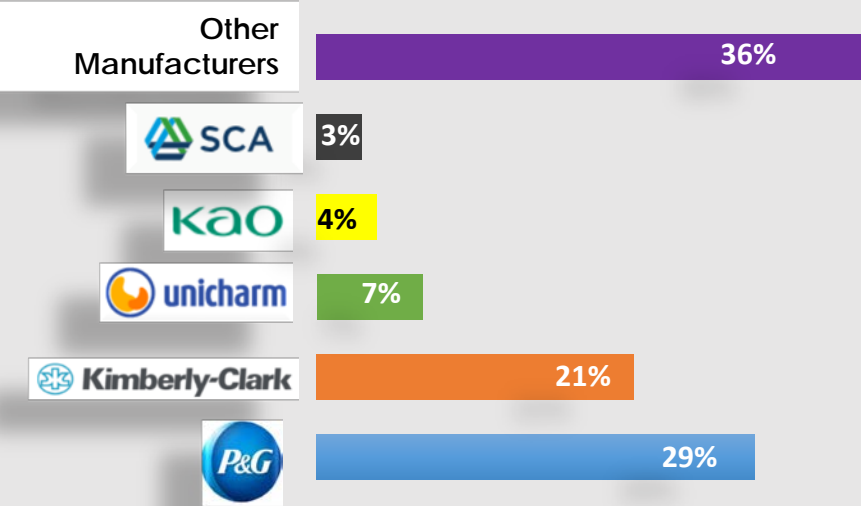
A US\$64Bn consumables business, over 100 million people ... families ... affected daily



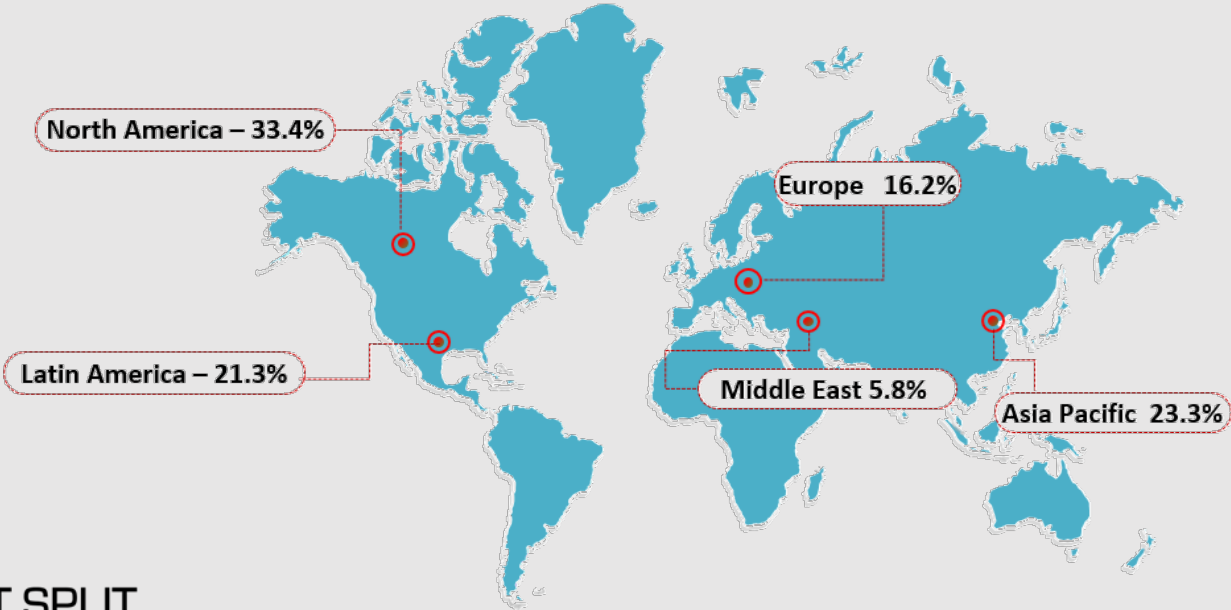
Source: Daedal Research
Growth at 7.1% CAGR
212bn infant diapers 2018
27.25 adult diapers 2018

The Global market is well developed and understood

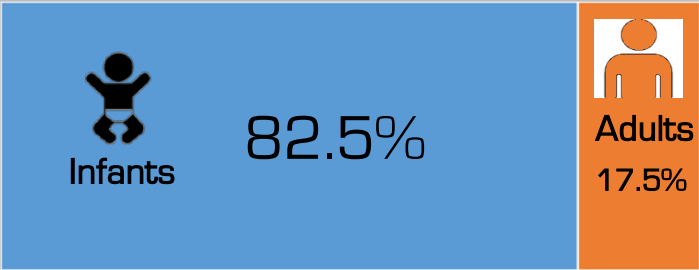
Global Manufacturers



Markets By Region

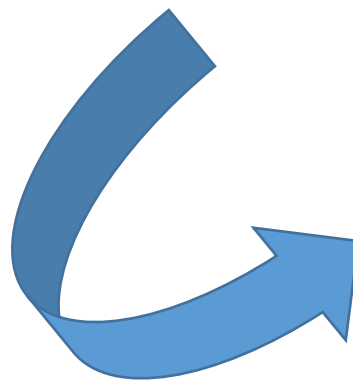


PRODUCT SPLIT



Smart nappies (Sn) - world leading disruptive new technology

Smart nappies are forecasted to be the #1 industry disruptor



Imperial College London – Imperial Tech Foresight
August 4, 2018



We've listened to what the market is saying ...

Consumers are demanding change



Commoditization

Pricing &
Performance

A market that
hasn't changed
in 25 years

Failure to meet
consumer
demands

Environmental
Impact...> 200
yrs to decompose

Immediacy

Simavita Insights ... It's a commodity market

- Consumers / customers don't see the difference
- Significant pricing competition and falling margins
- Growth in “white label” products
- Amazon, 3rd largest seller of diapers, recently re-entered white label market
- Branded product sales are falling while the market has become commoditised



PIVOT - In 24 months we refocused & delivered

- ACTIVE PRESENCE IN

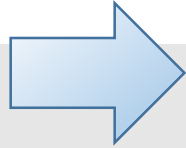
- North America
- Europe
- Australia

- Materially reduced operating costs
- Aligned strategy to mass market opportunities
- Industry disruptive solutions
- Leveraged strengths in sensors and continence
- Built mass market platform technology
- Roadmap for growth
- Rapid market access – a partnership model
- Multiple revenue streams
- Circa AUD12m invested in the past 24 months
- Over AUD70m to date invested by shareholders

Our key strategy PIVOT has been to rebuild the company its focus and products

PREVIOUS FOCUS

- **Assessment** sensor solution used over 72 hours
- Mix of **direct sales** and distribution
- **Adults** – institutional care
- Relatively **high cost**
- **Large** corporate structure



PIVOT STRATEGY

- **Everyday** sensor solution used 24/7, connects to our Apps on any smart device using Bluetooth
- Nonexclusive **licensing** – to major diaper manufacturers
- **Adults & Infants**
- **Focus on retail and online sales**
- **Extremely low cost**
- **Lean** & responsive corporate structure

The journey to deliver PIVOT...

- ✓ Developed a unique and compelling solution
 - ✓ Ultra low cost
 - ✓ No impact on diaper manufacturing
 - ✓ Seamless connectivity to phones and tablets
- ✓ Granted patents issued for Sensor and System in our targeted markets
- ✓ Market validation: signed first (non-exclusive) agreement for smart diaper roll-out
- ✓ Focus now on execution and follow on agreements

Our future is non-exclusive partnerships

Manufacturers are slow to adopt new technology:

- Follow the leader
- Driven by material sciences and not technology
- Widely perceive that smart solutions WILL take market share

Our opportunity is to drive transactions on a non-exclusive basis

Validation - Simavita signs first major agreement for AlertPLUS™ in Europe and North America

Our first major commercial outcome for AlertPLUS

- Highly targeted roll-out to major customers in North America and Europe
- Targeting 4 major sales of €50m each
- Mass markets for infant and adult diapers
- Simavita entitled to profit share from sales
- Opportunity to rapidly build sales traction to €200m (AUD310m) over 12 months whilst creating a foundation for long-term collaboration.
- Non-exclusive deal... the first of many to follow....

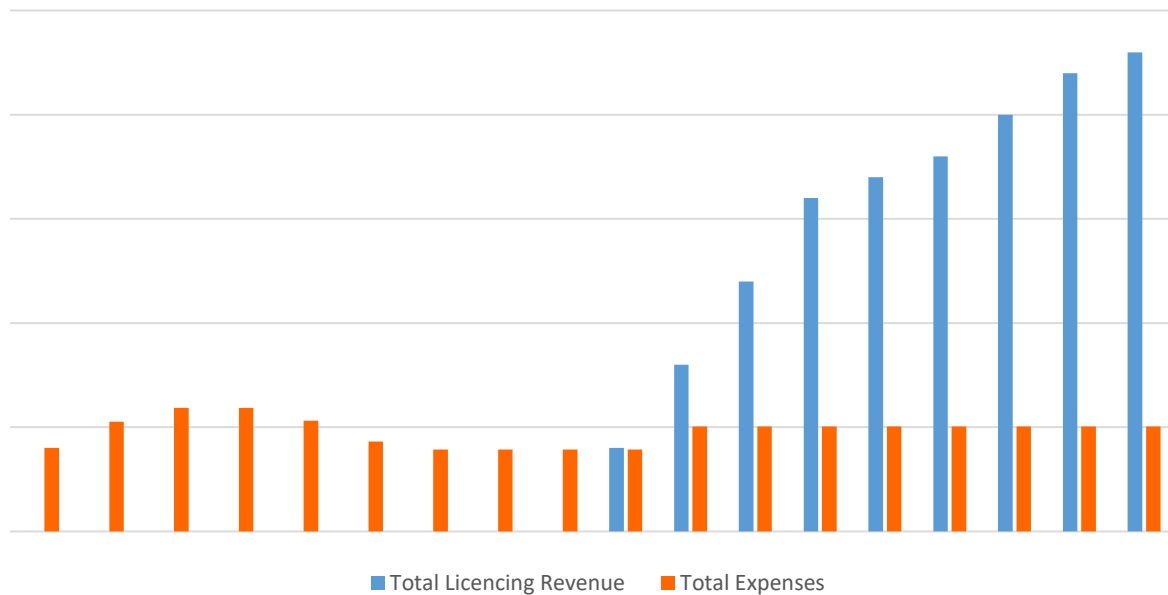
Drylock Technologies NV



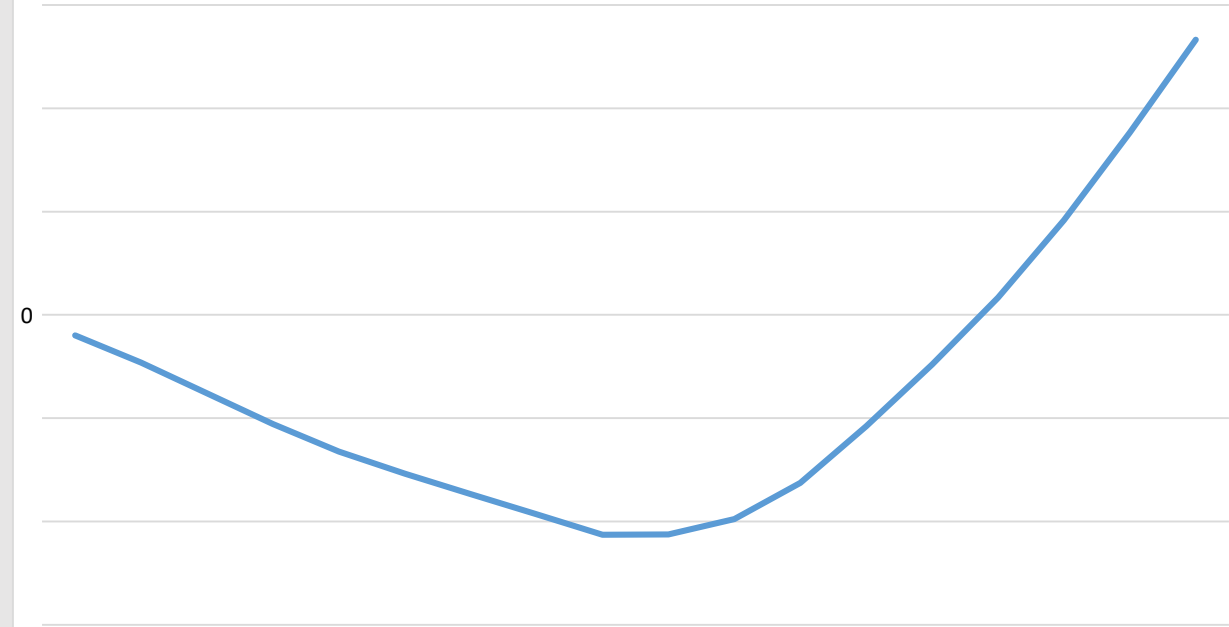
- Belgian diaper manufacturer with American and European footprint
- Projected revenues 2018 > €400m
- Founded in 2012 by former Ontex owner Bart Van Malderen
- Private company, over 2,100 employees
- Specialises in Private Label business – baby diapers, adult and feminine care
- Innovator and market challenger
- Jan '17 - Acquired USA Presto Absorbent Products
- Feb '18 – Acquired South American business
- 2018 €200m four site expansion program – 2 sites in Brazil, doubling of Czech Republic output, start-up Spain site

We're working to maintain costs and generate positive cash flow and profitability....

Expenses to remain static
whilst opportunity for revenue growth



Cash balances may decline prior to deal revenues



Simavita



We have the team to deliver...



Michael Spooner, Chairman
Experienced CEO & Director, listed international biotech companies.
Ex Partner Global Consulting firm



Peter Curran - Chief Technology Officer since May 2009.
Over 30 years experience in engineering, operations & commercial management.
Qualifications in electrical engineering & business administration.



Dr. Gary W Pace, Director
Over 40 years experience as both an executive & Director of biotech listed companies in US, Europe & Australia



Peta Jurd - Chief Commercial Officer since Sept 2015. Extensive experience in health & technology companies in commercial & operational roles.
Qualifications in commerce, law & corporate management.



Warren Bingham, Director
More than 20 years experience in field of medical devices & technologies in both domestic & international markets



Wessel Van Dijk - VP, EU Sales & Marketing since Dec 2015.
Over 25 years in sales & marketing leadership roles in multinational medical device companies.
Qualifications in business administration & nursing.

The Company

Capital Structure

Share Price (27/8/2018)	[cps]	3.5
Ordinary shares on issue	[m]	345.9
Unlisted options (5.0- 70.0 cps)	[m]	26.8
Market capitalisation	[\$m]	12.11
Cash	[\$m]	1.40
Debt - Convertible Notes	[\$m]	1.40

Major shareholders

Dussman Group	29.249%
Chevron Corporation Pty Ltd	10.27%
WF Asian Reconnaissance Funds Ltd	7.05%
Powell Superannuation Fund	8.17%
Inspiration Superannuation Fund	5.31%
Daniel Hegglin	4.85%

History

- ASX Listed CDIs
- Invested since restructure April 2016 \$12.4m
- Monthly cash burn reduced from \$1.2m to ~ \$400k
- Cash at June 30 \$1.4m

Share Price Chart

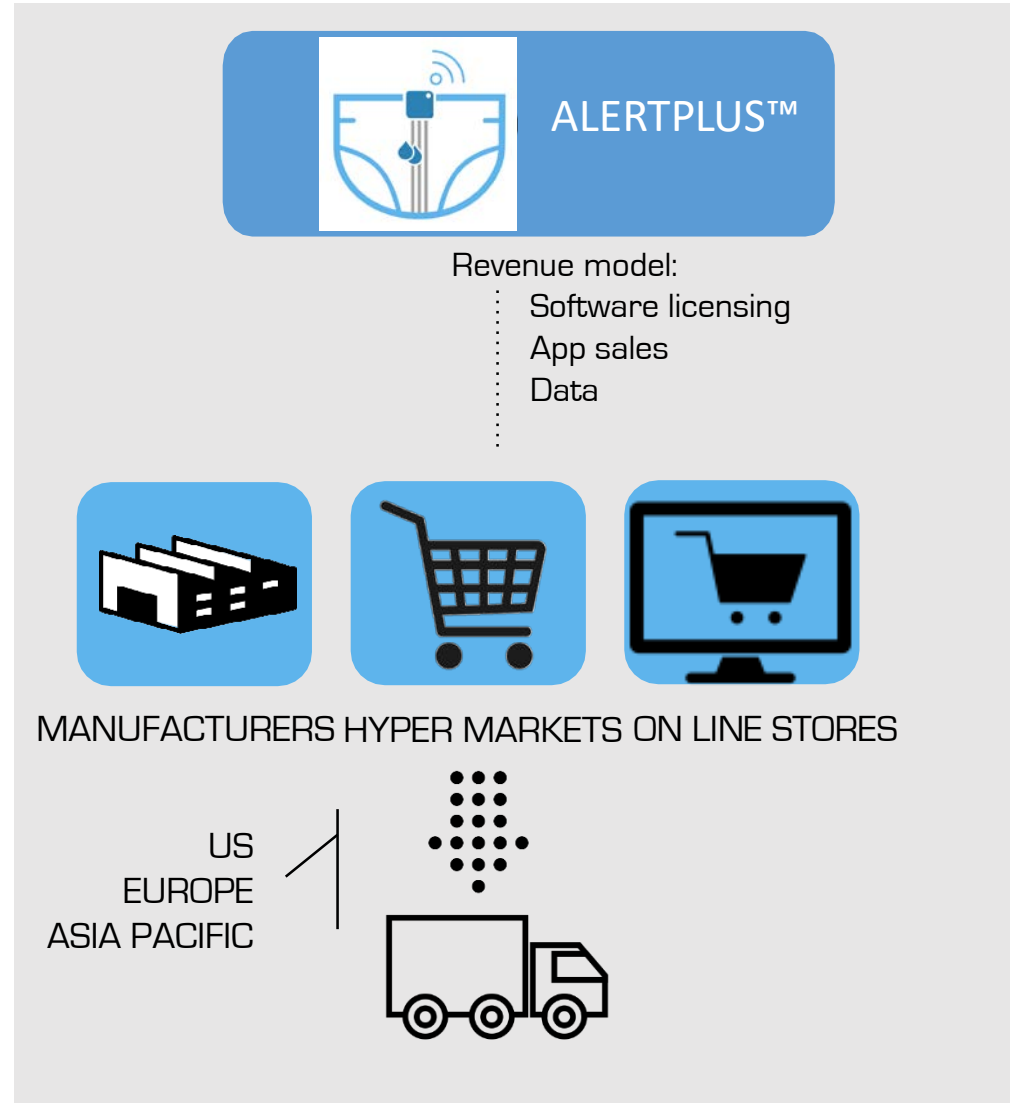


Tightly held,
thinly traded
stock

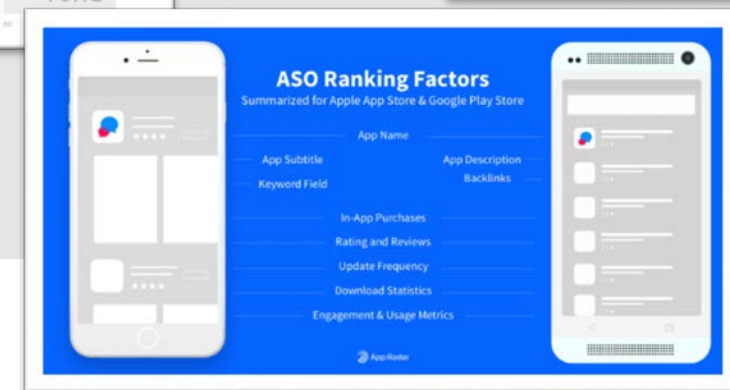
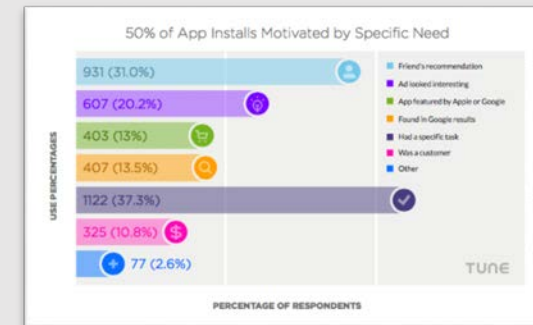
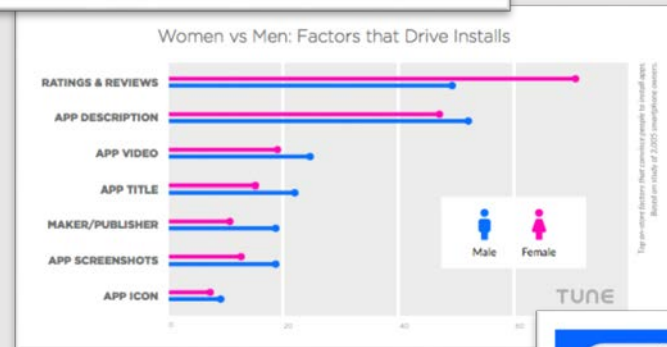
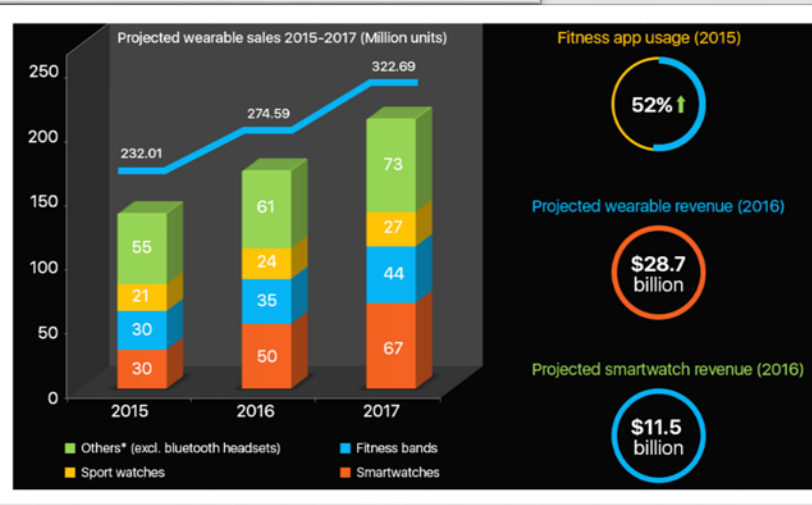
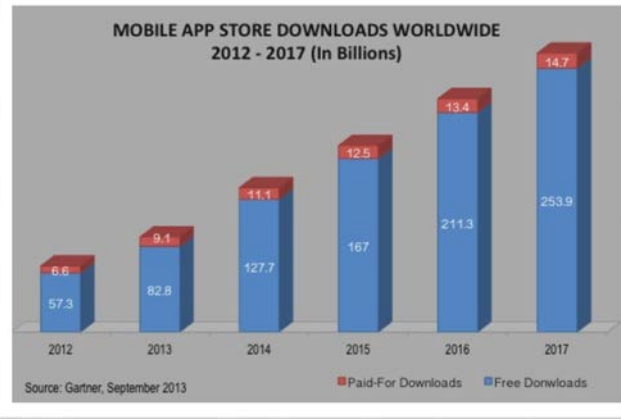
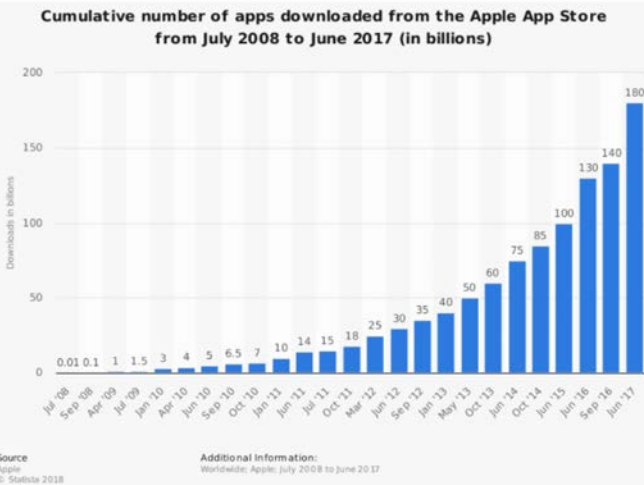
Simavita



Mass markets, multiple revenue streams



Chat sites and App Download data represent unique data and opportunity...



AlertPLUS™ turbocharges traditional diapers



AlertPLUS™ for manufacturers:

- 1c or less manufacturing cost for adult and infant diapers
- NO change or impact upon manufacturing equipment
- Fewer product lines and much greater efficiencies
- Rapid delivery of new product to meet customer demand

Consumers:

- No more worries ... no more messy diapers
- Efficiencies ... a smart diaper outperforms a conventional diaper
- Apps for a range of topics from temperature to hydration monitoring
- Improvements in carer efficiencies particularly in institutional and home care

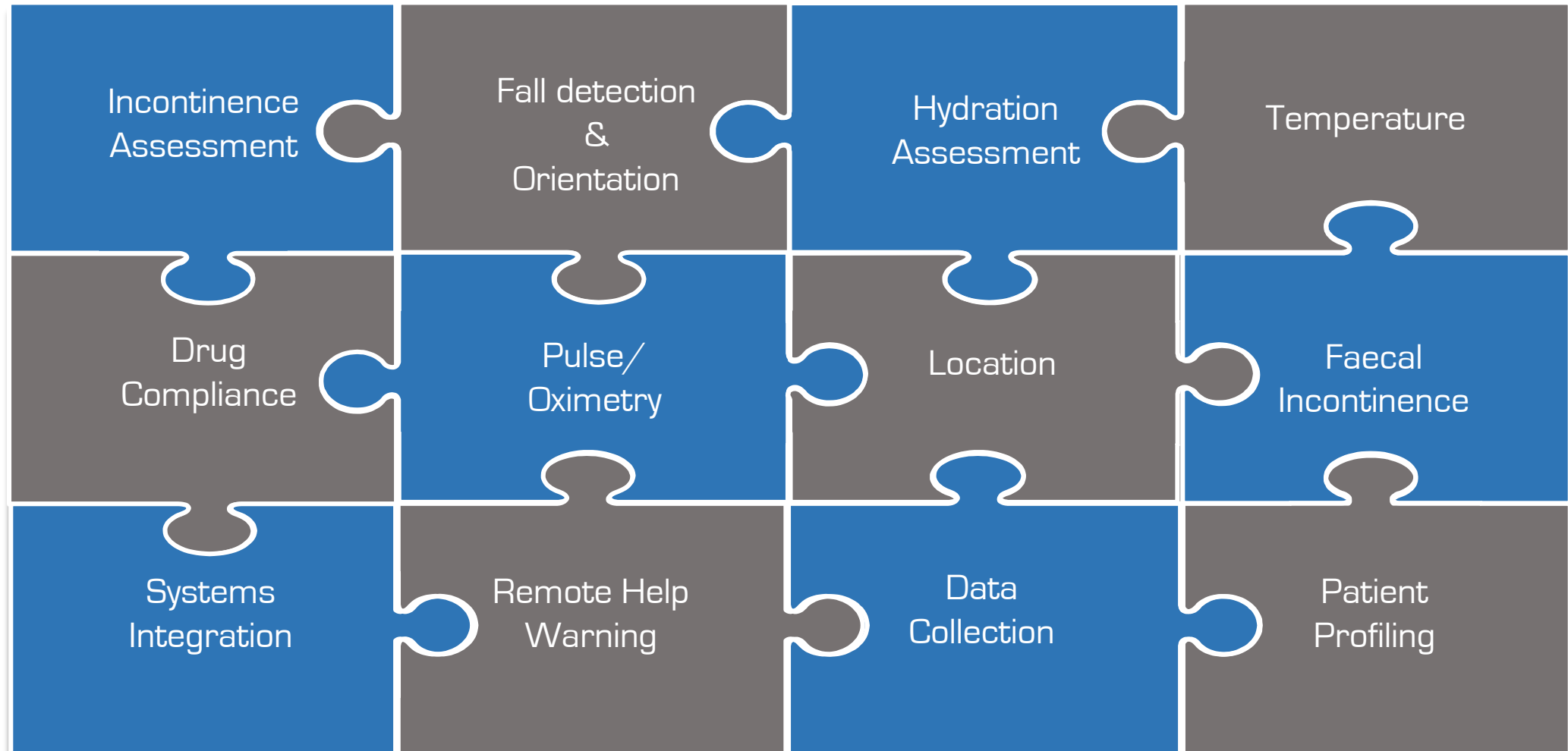


Retailers:

- Customer “stickiness” from App downloads
- Marketing data
- Customer chat sites



AlertPLUS™ A truly disruptive technology for continuous growth & innovation

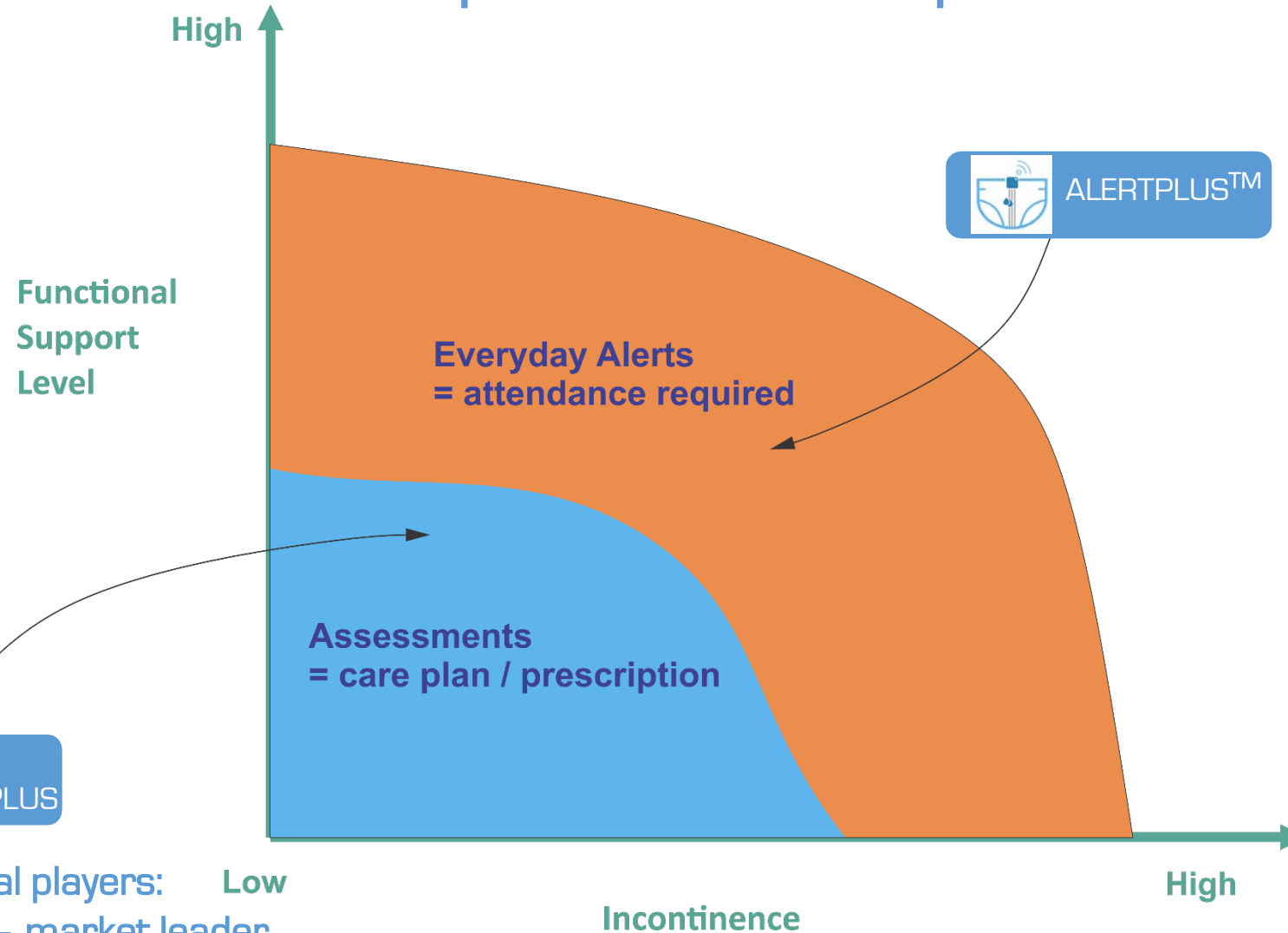


Simavita



THE IP LANDSCAPE

The Smart Diaper Landscape



Many in development, no market leader:

- Simavita, alertPLUS™, disposable
 - Lowest cost sensor
 - No impact on diaper manufacturing
 - Granted IP
- Abena Nova, disposable
 - Expensive sensor
 - Re-tool diaper assembly line
- SCA/Essity (Sensasure), Reusable
 - Comfort issue
 - User application variability
- EldersSens, Disposable
 - Expensive
- FitAssist Medical, Resuable
- WetAlrt (IBN spin-off), disposable
- Digisense, Reusable
- D Free (bowel), Resusable
- InconSense Smart, Resusable
- Malen, Resusable Sensors

2 commercial players: Low

❑ Simavita – market leader

❑ SCA – market follower

Strong IP position



ALERTPLUS™

- 12 patent families with significant independent claims
- 46 international granted patents
- A further 35 filed & in progress
- Landscape monitoring

IP fields include:

- Wearable Sensors
- Algorithms
- Incontinence management software + methods
- Manufacturing methods

- ✓ Freedom to Operate in our target markets
- ✓ Strong defensive and offensive position
- ✓ IP coverage for future commercialization
- ✓ Ability to leverage existing IP into the everyday alert space

Our solution is a hyper low cost sensor,
built into each diaper at the time of manufacture...



and connected to the world...

Appendices



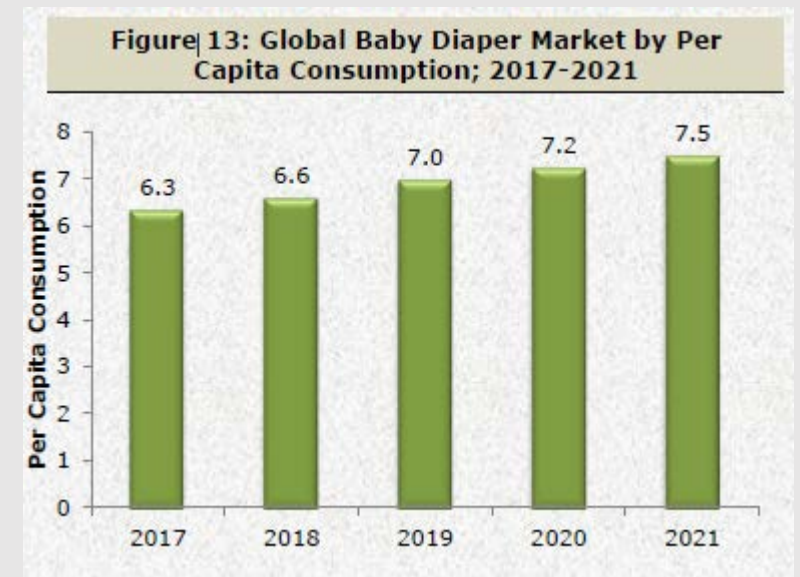
The global diaper market is a growing substantial market

- Global diaper market comprises baby diapers and adult diapers
- Aggregate diaper market valued at US\$55.78 billion in 2016, up by 7% from US\$52.09 billion in 2015.
- The market value is anticipated to increase up to US\$78.58 billion in 2021 a CAGR of 7.10% over the years 2017 to 2021.
- Growth is due to ↑ infants population, ↑ purchasing power, ↑ awareness about the personal hygiene, global ageing population and ↑ incontinence.



The global diaper market volume is significant

- Global diaper market volume in 2018 is forecast to be 212bn baby diapers and 27.25 bn adult diapers*
- These volumes are forecast to grow to 263bn baby diapers and 32bn adult diapers by 2021
- Forecast CAGR of 7.4% baby diapers & 5.58% adult diapers over 2017 - 2021
- Per capita consumption of baby diapers in 2018 was 6.6 and is forecast to grow
- Per capita consumption of adult diapers is approximately 4



* Daedal Research - Global Diaper (Adult and Baby Diaper) Market: Size, Trends & Forecasts (2017-2021) – June 2017 and Euromonitor International - Adult incontinence market research March 2016.

The consumer numbers are huge

- These volumes of 212bn baby diapers and 27.25 bn adult diapers * translate to 88m babies and 18.6m adult customers
- This represents millions of households
- Online sales are rising due to convenience and price comparison benefits
- The market is being reshaped by retailers (online & bricks & mortar) purchasing in bulk seeking increased margins and customer ownership
- The environmental impact is also large; more than 200 years to decompose



* Daedal Research - Global Diaper (Adult and Baby Diaper) Market: Size, Trends & Forecasts (2017-2021) – June 2017 and Euromonitor International - Adult incontinence market research March 2016.

Leading manufacturers point to lower margins and increased competition

- *“... this increasingly competitive market will negatively impact our sales, and we expect the environment to remain challenging for the foreseeable future...”*
President & CEO Domtar Feb 2018
- President and CEO Kimberly Clarke described the market as “challenging” as the Company forced to cut prices, restructure and cut costs, together with product enhancements. Feb 2018
- P&G resorted to wide spread discounting late last year to “*win back customers*” together with a major and ongoing commitment to cost cutting
- Carlos Richer, Industry Consultant “.... *My clients that are selling PL (private label) diapers in the USA are taking market share away from the National Brands...*” Jan 2017

Market feedback

A large European distributor of hygiene products and related services:

- 40 – 45% of their diaper sales would convert to an alert product as soon as it was available
- Confident of 5 – 8% growth in alert based diaper sales in Year 1 with negligible marketing
- Within 3- 5 years all diaper manufacturers will offer an alert product



- *Distributors will move swiftly to offer a smart alert diaper*
- *Smart alert diapers will drive strong sales growth*

Simavita



THE END