

ASX ANNOUNCEMENT

SIMAVITA COMPLETES \$2.975M FINANCING TO SUPPORT KEY COMMERCIAL ACTIVITIES

For Immediate Release:

3 October 2018

Sydney, Australia – Simavita Limited (ASX: SVA) today announced that it had completed a \$2,975,000 financing. This was achieved by a private placement for \$1.975 million and a further \$1 million by way of a convertible note (subject to approval from shareholders at the 2018 Annual General Meeting).

Proceeds will be used by the Company for working capital and key commercialization activities specifically focused on major markets in North America and Europe.

Key terms of the Private Placement

- A private placement for \$1.975 million with sophisticated investors at an offer price of \$0.03 per new CDI. None of the investors who will be issued CDIs are related parties of the Company.
- The Offer Price of \$0.03 per new CDI represents no discount to the last closing price of \$0.03 on 24 September 2018, The discount of 19.8% to the 15 day VWAP is in compliance with the pricing requirements set out in Listing Rule 7.1A.
- 65,833,333 new Simavita CDIs will be issued under the Placement, which is 19.03% of the total number of CDIs currently on issue (345,944,802). The new CDIs will rank equally with existing CDIs. It is expected settlement will occur on 8 October 2018 and the CDIs will be issued and quoted on the ASX on 9 October 2018.
- There are no underwriting arrangements in place. Fees and costs incurred in connection with the issue are approximately \$100,000 of which \$80,000 is payable in CDIs (2,666,666 CDIs).
- No shareholder approval is required for the issue of CDIs, as Simavita's existing placement capacity under ASX Listing Rule 7.1 will be used (51,891,720) and the balance will be issued within the placement capacity under ASX Listing Rule 7.1A, approved at the 2017 Annual General Meeting.
- Existing holders of CDIs will be diluted by 19.8% as a result of the Private Placement (however some existing shareholders have participated in the Private Placement, so their particular interests may have been diluted to a lesser extent).
- The Board considered a Private Placement as the best method for raising funds in the time frame required and to achieve funding certainty.

Convertible Notes

In summary, the terms of the unsecured \$1,000,000 Convertible Note issue provide that, subject to shareholder approval at the Annual General Meeting to be held during December 2018, the notes will automatically convert into ordinary issued securities of the Company (CDIs) at a rate of \$0.03 per security on 31 December 2018. The Convertible Note agreement enables the holders, at their option, to reduce their investment of \$1,000,000 by the amount of any share placement in excess of \$2,000,000 that may occur up to the date of the Annual General Meeting. The unsecured notes are not redeemable, unless in circumstances of default. The coupon rate is 10% per annum. Further details of the terms of the notes will be included in the Notice of Annual General Meeting to be provided to all shareholders.

Proceeds of funds:

Funds will be used by the Company

- As part of ongoing working capital
- Focused sales and marketing activity particularly in North America and Europe
- Key commercial activities associated with the delivery of Simavita's AlertPLUS™ platform technology.

Simavita Chairman, Mr Michael Spooner said: "I'm grateful for the support of our Shareholders. Over the past 2 years, the Company has materially reduced its operating costs, undertaken considerable effort to understand international diaper markets and to deliver an ultra low cost platform technology for adult and infant products. We are now very much focused upon the sale and delivery of our technology. This is an exciting period for the Company."

Information required by ASX Listing Rule 3.10.5A

A summary of the issue of CDIs in terms of the use of Simavita's capacity to issue shares under ASX Listing Rules 7.1 and 7.1A together with the information required by ASX Listing Rule 3.10.5A is included below:

ASX Listing Rule	Number of CDIs to be issued	Issue price	Funds Raised
CDIs Issued under ASX Listing Rule 7.1	49,225,054	\$0.03	\$1,476,751.60
CDIs Issued for Non cash consideration (for payment of fees) under ASX Listing Rule 7.1	2,666,666	\$0.03	\$ 80,000.00
Issued under ASX Listing Rule 7.1A	16,608,279	\$0.03	\$498,248.40
Total CDIs to be issued	68,499,999	\$0.03	\$2,055,000

All new CDIs issued under the Private Placement will ran pari passu with existing CDIs.

Background:

In 2018 it is estimated that the global diaper market will reach USD64bn in annual sales and will directly affect over 100 million people daily. The diaper industry is highly commoditized and has seen only marginal change in product functionality during the past 25 years.

Diaper sales are dominated by retail organisations and increasingly, by online sales. Globally, consumers are demanding greater functionality and price performance. This significant change in consumer demand has seen the emergence of white label manufacturing (store branding) and increased volume sales. There are currently few major performance or other differences between diaper products, leading to a highly competitive industry seeking new technology.

Simavita has developed smart, wearable and disposable sensors. Our lead product, AlertPLUS™ is backed by granted international patents.

We believe that AlertPLUS™ is an industry disruptive platform technology. It is anticipated that our technology will position Simavita to rapidly develop, modify and distribute unique Apps for end users. AlertPLUS™ securely connects mothers and fathers to infants and carers to adults in need of help. "No More Guessing No More Messy Diapers", AlertPLUS™ delivers peace of mind.

AlertPLUS™ is designed to:

- Drive significantly better outcomes at lower real cost to end users
- Deliver unique product offerings to each customer ... each retailer
- Rapidly and continuously deliver new and changed product to meet user demand
- Materially reduce wastage and impact upon the environment.

AlertPLUS™ is built into a diaper at the time of manufacture. Our sensors form part of the materials used in the manufacturing process. They are extremely inexpensive and do not impact in any way, the efficiency of manufacturing. Importantly, our sensors provide a platform for Simavita to develop new applications and to alter existing applications. New and modified Apps may be downloaded via commercially available App Stores.

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