



ASX ANNOUNCEMENT

Simavita Releases Quarterly Activities Report + Appendix 4C for the quarter ended June 30, 2020

For Immediate Release:

July 27, 2020

Sydney, Australia – Simavita Limited (ASX: SVA) today reported its June 30, 2020 quarter end results.

Operations:

- The impact of Covid-19 pandemic upon the operations of the Company has and continues to be significant. The Company's clinical program for its Smartz™ platform technology in early 2020 remain "on hold" until institutional aged care has reopened to the public. Accordingly, commercial and marketing discussions with major manufacturing partners are focused on manufacturing, clinical and market planning as well as test manufacturing of Smartz™ products.
- Despite delays in clinical and market roll out, the Company has achieved a number of significant milestones and are well prepared for when large international markets reopen. Milestones include:
 - The delivery of new and significantly upgraded Apps
 - App testing
 - Development of regulatory documentation
- Importantly, the Company has progressed its restructuring plans and intends to release these plans to market during the current quarter.
- Chief amongst the goals set by the Company has been to progress discussion with major industry partners. It is in this regard that we are in discussion with a number of global organisations. Commercial discussions are complex, lengthy and complicated. We are however committed to finalising and to reporting outcomes to our shareholders.

Financial Results:

- The Company ended the quarter for the period to June 30, 2020 with cash reserves of AUD\$2.06m.
- Simavita continues to tightly manage ongoing operating costs with total cash outflows for the quarter of \$1.08m. This is a decrease of 3.2% on previous quarter.
- During the quarter ended 31 March 2020 the Company completed a Private Placement for \$2.92m. \$1.985m of those funds were received during that quarter and the balance of \$1.025m was received in the quarter under review.

- The Company expects to have negative operating cash flows whilst it builds a sustainable revenue pipeline. During this period, the Company may continue to rely upon the support of its major shareholders. If required, the Company will raise additional cash to fund operations and to meet its business objectives.
- Simavita's business model is to license our technology and to deliver service to our customers. This model enables the customer to focus on successfully rolling out new technology to highly competitive mass markets, to rapidly gain significant competitive advantage and to pay only those licensing fees that are commensurate with the success of their marketing programs.
- During the quarter the Company paid \$0.15m to related parties in the form of Director's fees.

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](#)

This ASX announcement was approved and authorised for release by the Board of Simavita Limited.

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 Smartz™ 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

Simavita Limited
Level 2, 54 Miller Street, North Sydney NSW 2060
Telephone: + 61 2 8405 6300

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 cash flow report for entities subject to Listing Rule 4.7B

Name of entity
SIMAVITA LIMITED

ARBN
165 831 309

Quarter ended:
30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (twelve months) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	10	52
1.2 Payments for		
(a) research and development	(178)	(491)
(b) product manufacturing and operating costs	(43)	(102)
(c) advertising and marketing	(23)	(221)
(d) leased assets	-	-
(e) staff costs	(553)	(2,204)
(f) administration and corporate costs	(288)	(1,496)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	684
1.8 Other: GST refund/JobKeeper	131	216
1.9 Net cash from / (used in) operating activities	(943)	(3,561)
2 Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(14)	(22)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) 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	(14)	(22)
3 Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,025	2,920
3.2 Proceeds from issue of convertible debt securities	-	1,750
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	336	590
3.6 Repayment of borrowings	-	(304)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,361	4,956

	Current quarter \$A'000	Year to date (twelve months) \$A'000
4 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,660	689
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(943)	(3,561)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(14)	(22)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,361	4,956
4.5 Effect of movement in exchange rates on cash held	(1)	1
4.6 Cash and cash equivalents at end of period	2,063	2,063

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	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,063	1,660
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)	2,063	1,660

6 Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	150
6.2 Aggregate amount of payments to related parties and their associates included in item 2	0
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments	

7 Financing facilities Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity	Total facility amount at quarter end AUD'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	4,540	4,540
7.2 Credit standby arrangements	90	10
7.3 Other (R&D Loan)	716	665
7.4 Total financing facilities	5,346	5,215
7.5 Unused financing facilities available at quarter end		131
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
7.1 (a) - Convertible notes issued in April 2018, totalling \$1.4m which are either convertible or redeemable on 21 December 2020. Coupon rate of 10% per annum, with interest payable on Maturity Date.		
7.1 (b) - Convertible notes issued in April 2019, totalling \$3.14m which are either convertible or redeemable on 30 April 2022. Coupon rate of 10% per annum, with interest payable on Maturity Date.		
7.2 - Westpac Bank credit card facility		
7.3 - Finance provider: Antra Group Pty Ltd. Loan secured by the Group. Establishment fee at 5% and capitalised interest at 16% p.a. Facility to be repaid by the Group once the 2020 R&D tax incentive is received from the ATO.		

8 Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(943)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,063
8.3 Unused finance facilities available at quarter end (item 7.5)	131
8.4 Total available funding (item 8.2 + item 8.3)	2,194
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.33
8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
8.6.2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
8.6.3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	

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.

Date:27 July 2020.....

Authorised

by: ...Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so
2. If this quarterly cash flow 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 cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard
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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is