



## ASX ANNOUNCEMENT

### Simavita releases materials for Special General Meeting

For Immediate Release:

24 December 2020

**Sydney, Australia** – Simavita Limited (“**Simavita**”) (ASX: SVA) is pleased to release the materials for a Special Meeting of shareholders to be held on 20 January 2021 (the “**Meeting**”).

Copies of the Notice, Management Information Circular and CDI voting instruction forms (collectively, the “Meeting Materials”) have been mailed to all security holders. The Meeting Materials will also be available on SEDAR and on the Company’s website at [www.simavita.com](http://www.simavita.com).

As detailed in the attached Notice, the Meeting will be held at **11.00 am** (Australian Eastern Standard Time) on **Wednesday, 20 January 2021** at the following address:

**The offices of K&L Gates  
Level 31, 1 O’Connell Street  
Sydney, New South Wales. 2000. Australia**

This is an important meeting for Simavita and we encourage all securityholders to vote their voting instruction forms that they will receive shortly in the mail.

For further information, please visit the Company’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)) or the Company’s website ([www.simavita.com](http://www.simavita.com)) or contact the persons listed below.

Ms Peta Jurd  
Chief Commercial Officer

E: [pjurd@simavita.com](mailto:pjurd@simavita.com)  
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W: Investor Centre: [Click here](#)

*This ASX announcement was approved and authorised for release by Mr Michael Spooner, Executive Chairman 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](http://www.simavita.com)

24 December 2020

Dear CDI Holder

## A Special Meeting of Simavita Limited CDI Holders

Please find enclosed a Notice of Special Meeting and Proxy Statement of Shareholders to be held at 11:00am Australian Eastern Daylight Time (AEDT) on 20 January 2021.

The information in this letter does not take into account your individual investment objectives, financial situation and needs. The information in this letter is of a general nature and is not financial product advice and should not be relied upon as the sole basis for any investment decision. As a CDI holder you should consult your financial, legal, tax or other professional adviser if you have any queries in relation to the information contained in this letter or how you should act with respect to your holding of CDIs.

## Conversion of Debt Notes

The Notice of Meeting includes a resolution to approve the conversion of 2,300,000 debt notes into 2,300,000 Convertible Notes.

On December 23, 2020, the Company announced it had secured funding commitments, in aggregate, of AUD\$2,300,000 from professional or sophisticated investors. All investors who have committed to subscribe for notes have entered a note deed with the Company (**2020 Note Deed**) effectively for the issue of Debt Notes or Convertible Notes, as the case may be (**Financing**).

The Financing comprises an immediate payment of a total of \$2,300,000, in return for which the Company issued 2,300,000 Notes (not at that stage convertible into CDIs, referred to as Debt Notes). The convertibility of the Debt Notes is subject to CDI holder approval, as proposed in the accompanying notice of meeting (**CDI Holder Approval**).

After receipt of the CDI Holder Approvals, all Debt Notes on issue shall be regarded as Convertible Notes. Reference in this Information Circular to "2020 Notes" is a reference to Debt Notes or Convertible Notes, as the context requires.

The intended use of the funds raised pursuant to the Financing includes the completion of the Capital Reduction program as approved in a meeting of CDI holders on 2 December and for the Company to commercialise its software platform technology Smartz™ and for other working capital purposes.

## Delisting of Simavita from ASX

On 30 October 2020 (AEST), Simavita announced that it had received ASX in principle approval for its removal from the official list of ASX subject to complying with certain conditions described in this letter including that Shareholder approval is obtained for the Delisting. On 9 November 2020 ASX provided formal approval for the Delisting.

Subject to Shareholder approval being obtained, trading in Simavita's CDIs will be suspended with effect from close of trading on ASX on 18 February 2021 (the **Suspension Date**) (AEDT). Removal of Simavita from the official list of ASX is expected to occur on 22 February 2021 (the **Delisting Date**).

This letter seeks to provide CDI holders with information about the delisting process, the options available to CDI holders in connection with holdings of CDIs and certain implications which may arise for CDI holders as a result of the Delisting.

## **Delisting Process**

### *Shareholder approval*

Simavita Limited (**Simavita** or the **Company**) (ASX: SVA) has requested and received approval from ASX Limited (**ASX**) to remove its CHESS Depositary Interests (**CDIs**) from the official list of ASX (the **Delisting**) subject to complying with certain conditions described in the enclosed Notice of Meeting.

This proposal was put to CDI holders at a meeting on 2 December 2020 where a record 89% of total CDIs voted. A resolution to undertake a Capital Reduction received 99.9% of votes in favour. The resolution to delist the Company required a Special Resolution and a majority of 75%. Whilst the majority of shareholders with 66.66% of votes cast voted in favour none the less the resolution failed. Given the significant support of CDI Holders, together with the Board and management's strong belief that delisting the Company is in the best interests of all CDI holders, the Company is proposing to put the proposal to the CDI holders again at a meeting of shareholders on 20 January 2021.

Simavita's market position has resulted in significant interest from major international (non-Australian) financial investors and strategic parties. The Company has been approached by numerous such parties that have indicated an interest in funding an acceleration plan if and when the Company becomes a private company not listed on the ASX, making delisting a logical next step towards achieving the Company's vision. It is the Board's view that it is in the best interests of all Simavita CDI holders that the Company delist from the ASX at this time and accelerate the commercialisation of its' technology.

Further details of the Delisting, including potential advantages and disadvantages for CDI holders and future plans and intentions for Simavita are set out in the Notice of Meeting (and Proxy Statement) for the Special Meeting enclosed with this letter.

### *Suspension of CDIs from ASX trading and delisting*

Simavita CDIs will trade on ASX until the close of trading on 18 February 2021, when, assuming the Delisting has been approved by CDI holders, trading will be suspended. Following the suspension of trading in CDIs, CDI holders will no longer be able to trade their holdings of CDIs on ASX. Following the suspension of CDIs from quotation, Simavita will be removed from the official list of ASX on 22 February 2021.

### *Compulsory conversion*

Following Delisting, as there will be no liquid market for the CDIs or Shares, CHESS Depositary Nominees Pty Limited will terminate the trust under which the Shares are currently held and transfer the legal title to the underlying Shares to CDI holders so that CDI holders will instead hold the full legal and beneficial title to 1 Share for every 1 CDIs held at the date of Delisting.

## Indicative dates for the Delisting process

The following table sets out the indicative timetable for the delisting of Simavita from ASX and the Capital Reduction. Unless otherwise indicated, times are AEDT, being Sydney, Australia times and dates.

DATE	ACTION
24 December 2020	<b>Announce proposed Delisting of the Company from ASX (subject to receipt of shareholder approval).</b>
24 December 2020	<b>Notice of Meeting (seeking approval for Delisting) dispatched to securityholders</b>
24 December 2020	<b>Record date</b> for voting at Special Meeting
20 January 2021	<b>Special Meeting to approve Delisting of the Company from ASX</b>
18 February 2021	Suspension Date – suspension of CDIs from trading on ASX
22 February 2021	<b>Removal of Simavita from the official list of ASX</b>
23 February 2021	ASX Settlement Pty Limited to revoke approval of CDIs
after 23 February 2021*	Board of directors of CDN resolve to revoke trust
after 23 February 2021*	Notice sent to CDI holders stating that approval of CDIs has been revoked by ASX Settlement and that CDN has revoked the trust (and the effective date of the revocation of the trust)
after 23 February 2021*	CDN transfers title to the shares underlying any remaining CDIs to the former CDI holders

Note: \* will be updated after consultation with ASX. All dates and times above are Sydney, Australia time. The Company will also inform CDI holders of any changes to the indicative timetable referred to above by market announcement made via the ASX company announcements platform.

## Options for CDI holders on delisting of Simavita from ASX

CDI holders will have the options set out below with respect to their CDI holdings in conjunction with the delisting of Simavita from the official list of ASX.

**Note that the Delisting is subject to Shareholder approval at the Special Meeting and therefore may not proceed.**

Option 1	Sell your CDIs on ASX before the Suspension Date (on or before 30 December 2020)
	<p>You can sell your CDIs on ASX at any time prior to the Suspension Date (currently expected to be 18 February 2021 if Shareholder approval is obtained for the Delisting) by contacting your stockbroker or financial adviser who can arrange the sale.</p> <p>After the Suspension Date, you will <b>not</b> be able to sell your CDIs on ASX and there will be no liquid market for the stock.</p> <p>If you elect to sell your CDIs on the ASX prior to the Suspension Date, you will be responsible for any costs associated with the sale of your CDIs as is customary, including any broker commission.</p>
Option 2	Do nothing - Compulsory conversion
	<p>If you do not choose Option 1 above by 18 February 2021, CHESS Depositary Nominees Pty Limited (CDN) will terminate the trust under which the CDIs are currently held and on or about 23 February 2021 CDN will transfer the legal title to the underlying CDIs so that CDI holders will instead hold the full legal and beneficial title to 1 Share for every 1 CDIs held at the date of Delisting</p>

## Risks

The Notice of Special Meeting enclosed with this letter set out some of the key advantages, disadvantages and risks of the Delisting.

## Further information

If you have any questions about the delisting process, please contact Computershare Investor Services (**Computershare**) on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (AEDT).

Simavita Limited.  
ARBN 165 831 309

# Simavita

**SIMAVITALIMITED ARBN 165 931 309**

## **NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

TAKE NOTICE that a special meeting of the shareholders of Simavita Limited (the “**Company**” or the “**Corporation**”) will be held at the offices of K&L Gates at Level 31, 1 O'Connell Street, Sydney, New South Wales, 2000 Australia on Wednesday, January 20, 2021, at 11am (Australian Eastern Daylight Time) or at any adjournment or postponement thereof for the purposes of:

(a) **Resolution #1: Approval of delisting of the Corporation from ASX**

Considering, and if thought fit, passing a special resolution of CDI Holders (with a 75% majority), to approve and authorize, for the purposes of ASX Listing Rule 17.11 and for all other purposes, being passed that the Corporation be removed from the official list of ASX on February 22, 2021 (or such later date as is agreed with ASX) and that the Directors of the Corporation be authorised to do all things reasonably necessary to give effect to the delisting of the Corporation from ASX and otherwise as more particularly described in the accompanying management information circular; and

(b) **Resolution #2: Conversion of Debt Notes**

Considering, and if deemed fit, passing an ordinary resolution of disinterested CDI Holders approving and authorizing, their issue and for the purposes of the ASX Listing Rule 7.1 and all other purposes the 2,300,000 non-convertible Debt Notes issued to Exempt Investors on December 23, 2020 and that those Debt Notes be regarded as convertible into the Company's CDIs (and therefore a form of ‘equity security’ for the purposes of the ASX Listing Rules) and the conversion mechanism and terms relating to these Debt Notes, as described in the Note Terms, become operational on the terms particularly described in the accompanying management information circular; and

(c) transacting such further and other business as may properly come before the said meeting or any adjournment or postponement thereof.

Specific details of the above items of business are contained in the management information circular which accompanies this notice of meeting and, together with management’s form of proxy, which also accompanies this notice of meeting, form a part hereof and must be read in conjunction with this notice of meeting. Shareholders of record at the close of business on December 24, 2020 are entitled to notice of, to attend and vote at the meeting either in person or by proxy.

Upon delisting from the TSX-V, the Company applied for and was granted recognition in Canada as a designated foreign issuer in accordance with National Instrument 71-102 – Continuous Disclosure and Other Exemptions Relating to Foreign Issuers. As such, though a Canadian-incorporated entity, the Company is subject to the foreign regulatory requirements of a foreign regulatory authority, being the regulatory requirements of the Australian Securities and Investments Commission and the ASX.

A form of proxy will not be valid for the meeting or any adjournment or postponement thereof unless it is completed by the shareholder or by his attorney authorized in writing and must be delivered to: Computershare Investor Services Pty. Limited, GPO Box 242, Melbourne, Victoria 3001 Australia (the number to fax CDI Voting Instruction Forms is +61 3 9473 2555) not later than prior to the time set for the meeting or any adjournment or postponement thereof, being no later than Monday, January 18, 2021, at 11am (Australian Eastern Daylight Time).

Holders of CDIs are invited to attend the meeting. CDI holders must complete, sign and return the enclosed CDI Voting Instruction Form to Computershare Investor Services Pty. Limited, GPO Box 242, Melbourne, Victoria 3001 Australia (the number to fax CDI Voting Instruction Forms +61 3 9473 2555) so that each CDI holder may elect to direct CHESS Depository Nominees Pty. Ltd. ("CDN") to vote the relevant underlying common shares on his or her behalf or instruct CDN to appoint such CDI holder or his or her nominee as proxy to vote the common shares underlying the CDIs in person at the meeting. Please note that CDI holders are not entitled to vote at the meeting, however can vote their holding by completing the CDI voting instruction form in advance of the meeting. In either case, the CDI Voting Instructions Form needs to be received at the address shown on the CDI Voting Instructions before the time set for the meeting or any adjournment or postponement thereof, being not later than Monday, January 18, 2021, at 11am (Australian Eastern Daylight Time).

DATED: December 24, 2020

By Order of the Board of Directors

(Signed) "Michael Spooner"

Michael Spooner

Chairman

# Simavita

## SIMAVITA LIMITED

### INFORMATION CIRCULAR (as at December 24, 2020)

#### FOR THE SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON WEDNESDAY, JANUARY 20, 2021

#### PROXY SOLICITATION

##### PURPOSE OF SOLICITATION

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Simavita Limited (“**Simavita**” or the “**Company**” or the “**Corporation**”) for use at the special meeting of the shareholders of the Company to be held at the offices of K&L Gates at Level 31, 1 O'Connell Street, Sydney, New South Wales, 2000 Australia on Wednesday, January 20, 2021, at 11:00 a.m. (Australian Eastern Daylight Time) or at any adjournment or postponement thereof for the purposes set out in the accompanying notice of meeting (the “**Meeting**”).

The cost of such solicitation will be borne by the Company and will be made primarily by mail. Directors and officers of the Company may without special compensation solicit proxies by telephone, facsimile or in person. In this Information Circular, unless otherwise stated, references to “\$” or “AUD\$” are to amounts in Australian dollars.

The Chairman intends to vote all undirected proxies in favour of all items of business.

##### APPOINTMENT AND REVOCATION OF PROXIES

**The persons named in the enclosed form of proxy are directors and officers of the Company and are nominees of management. Shareholders have the right to appoint a nominee (who need not be a shareholder) to represent them at the Meeting other than the persons designated in the enclosed form of proxy, and may do so by inserting the name of the appointed representative in the blank space provided in the form of proxy.**

A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed by the shareholder or by his or her attorney authorized in writing and must be delivered to: Computershare Investor Services Pty. Limited, GPO Box 242, Melbourne, Victoria 3001 Australia (the number to fax CDI Voting Instruction Forms is +61 3 9473 2555), not later than two business days prior to the time set for the Meeting or any adjournment or postponement thereof, being no later than Monday January 18, 2021, at 11am (Australian Eastern Daylight Time).

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A proxy may be revoked by either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the shareholder or by his or her authorized attorney in writing, or, if the shareholder is a Company, under its corporate seal by an officer or attorney duly authorized, and by depositing the proxy bearing a later date with Farris LLP (Attn: Denise C.



Nawata) located at 700 West Georgia Street, 25th Floor, Vancouver, British Columbia, V7Y 1B3, Canada, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia, Canada) prior to the time set for the Meeting or any adjournment or postponement at which the proxy is to be used, or by depositing the revocation of proxy with the chairman of such meeting on the day of the meeting, or any adjournment or postponement of the Meeting.

## **VOTING SHARES**

The Company is authorized to issue an unlimited number of common shares without par value. As of December 24, 2020 1,153,865,910 common shares without par value were issued and outstanding. Of the 1,153,865,910 common shares issued and outstanding on December 24, 2020, 1,153,865,910 common shares were held by CHESS Depository Nominees Pty. Ltd. (“**CDN**”), a wholly-owned subsidiary of the Australian Securities Exchange (the “**ASX**”), on behalf of holders of CHESS Depository Interests (“**CDIs**”). CDN has issued CDIs that represent beneficial interests in the common shares held by CDN. CDIs are traded on the electronic transfer and settlement operated by the ASX.

**All references in this Information Circular to outstanding common shares include common shares held by CDN and all references to holders of common shares include CDI holders.**

Each common share entitles the holder to one vote on all matters to come before the Meeting. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the common shares of the Company. There are no other classes of voting securities of the Company outstanding.

The quorum for the Meeting is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued common shares entitled to be voted at the Meeting. If there is only one shareholder entitled to vote at a meeting of shareholders:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder; and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

The Company has fixed December 24, 2020 as the record date for determination of the persons entitled to receive notice of and vote at the Meeting. Only a shareholder of record as of the record date is entitled to receive notice of and vote at the Meeting.

## **VOTING OF PROXIES**

This section only applies to the holders of common shares of the Company that are not represented by CDIs. Holders of CDIs should refer to the section in this Information Circular headed “*CDI Holders May Give Direction to CDN*”.

The persons named in the enclosed form of proxy are directors and/or officers of the Company and have indicated their willingness to represent the shareholder who appoints them as proxy. Each shareholder may instruct his proxy how to vote his common shares by completing the enclosed form of proxy.

The person indicated in the enclosed form of proxy shall vote the common shares in respect of which they are appointed in accordance with the direction of the shareholder appointing them.

**In the event of an absence of direction to vote the common shares in respect of which they are appointed, the management appointees named in the accompanying proxy will vote such common shares in favour of:**

- I. **Resolution #1:** a special resolution of CDI Holders (with a 75% majority, approving and authorizing, for the purposes of ASX Listing Rule 17.11 and for all other purposes, that the Corporation be removed from the official list of ASX on February 22, 2021 (or such later date as is agreed with ASX), and otherwise as more particularly described in the accompanying management information circular;
- II. **Resolution #2:** approving and authorizing, their issue and for the purposes of the ASX Listing Rule 7.1 and all other purposes the 2,300,000 non-convertible Debt Notes issued to Exempt Investors on December 24, 2020 for a subscription of AUD\$2,300,000 and that those Debt Notes be regarded as convertible into the Company's CDIs (and therefore a form of 'equity security' for the purposes of the ASX Listing Rules) and the conversion mechanism and terms relating to these Debt Notes, as described in the Note Terms, become operational on the terms particularly described in the accompanying management information circular; and
- III. transacting such further and other business as may properly come before the Meeting or any adjournment or postponement thereof.

**THE ENCLOSED FORM OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSON INDICATED IN THE PROXY WITH RESPECT TO AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF SPECIAL MEETING OF SHAREHOLDERS (THE "NOTICE") AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.**

At the time of printing of the Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice and the Information Circular. If any matters which are not now known to the directors and executive officers of the Company should properly come before the Meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best judgment.

#### **CDI HOLDERS MAY GIVE DIRECTIONS TO CDN**

The Company will permit CDI holders to attend the Meeting.

Each CDI holder has the right to:

- (a) direct CDN how to vote in respect of their CDIs; or
- (b) instruct CDN to appoint the CDI holder or a person nominated by the holder as the holder's proxy for the purposes of attending and voting at the Meeting.

If you are a CDI holder and you wish to direct CDN how to vote in respect of your CDIs or appoint yourself or a nominee as your proxy, you should read, complete, date and sign the accompanying CDI voting instruction form and deposit it with Computershare Investor Services Pty. Limited, GPO Box 242, Melbourne, Victoria 3001 Australia (the number to fax CDI Voting Instruction Forms is +61 3 9473 2555) before the time set for the meeting or any adjournment or postponement thereof, being not later than Monday, January 18, 2021, at 11am (Australian Eastern Daylight Time) at which the proxy is to be used.

## PRINCIPAL HOLDERS OF VOTING SECURITIES

To the knowledge of the directors and executive officers of the Company, as at the date of this proxy solicitation no person beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to the issued and outstanding Common Shares of the Company other than the following:

Name of Shareholder	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or	Percentage of Outstanding Common Shares
TIGA Trading Pty Ltd	196,557,190 (1)	17.03%
Fifty Second Celebration Pty Ltd <McBain Family A/c>	183,724,717	15.92%
Dussman Pty Ltd and associates	115,769,031	10.03%

- (1) The information as to the class and number of voting securities beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Company has been based solely upon reports filed pursuant to the substantial shareholder disclosure rules of the ASX.

## Resolution #1 – Delisting of the Corporation from ASX

### Events leading to the Corporation seeking to be removed from the Official List of ASX

Simavita's main reasons for **seeking removal from the Official List of ASX** are:

- **Interest from outside parties:** Simavita is continuing in its discussions with major diaper manufacturers (having completed a pilot run of diapers incorporating the Simavita technology) and also major industry suppliers to those major diaper manufacturers - with the view of concluding a partnering, licensing or investment with such industry participants. Simavita believes that partnering or licensing with a third party industry supplier undertaking the marketing to the large global diaper manufacturing companies may be a faster and less costly strategy to enter the competitive global diaper market. While those discussions are very well advanced (noting that there is no guarantee they will result in any binding agreements), some of the industry participants who have expressed interest in funding Simavita and / or partnering / licensing with Simavita, have stated a preference that Simavita is not publicly-listed at the time of their investment or partnering arrangements.
- **Best interests of all CDI Holders:** The Simavita Board considers that, it is in the best interests of all CDI Holders that the Corporation is delisted from ASX at this time to facilitate Simavita's potential access to alternative funding sources or strategies that may not currently be available given Simavita's ASX listing. Additionally, these alternative funding sources or strategies may potentially be less dilutionary to Simavita members than raising further capital on ASX - although there can be no guarantee as to the amount, timing or price for any future

investments.

- **Growth:** It is Simavita's intention to continue to develop, partner and/ or license Simavita's technology, to deliver service to our customers and focus on successfully rolling out new technology to highly competitive mass markets. Future investments into Simavita (as an unlisted corporation) would be intended to be used to accelerate growth and/or fund additional capital reductions or buy-backs of securities. Simavita believes that as a delisted company, fund raising for the Company's growth plans may be more successful.
- **Valuation:** The Simavita Board considers that the price of CDIs that are trading on the ASX as at the date of this Information Circular, are lower than the underlying commercial value of Simavita and its technology (with its potential partnering / commercialisation opportunities) and also lower than the net assets per share that these CDIs represent.
- **Liquidity:** The Directors believe that the liquidity of Simavita CDIs is insufficient to provide security holders an avenue to sell their CDIs now, or in the future.
- **Administrative:** The financial, administrative and compliance obligations and costs associated with maintaining an ASX listing can no longer be justified. This is particularly the case given the low levels of trading, both by volume and value in Simavita CDIs.
- **Listing Costs** – If the Corporation is delisted, the Directors expect that the Company will save the following expenses per year:
  - ASX Listing Fees – A\$34,500
  - Other ASX compliance and registry costs – A\$46,570
  - Canadian filing fees (once Simavita voluntarily applies to cease to be a reporting issuer) – A\$15,000
  - Audit and Insurance Costs - A\$106,400
  - Miscellaneous Professional Fees – A\$98,383 (Legal and Company Secretarial)
  - Total - A\$300,853
- **Large Number of parcels which are less than a "Marketable Parcels":** There are a large number of CDIs that represent parcels less than a "marketable parcel" (as defined by the ASX Operating Rules and generally referring to parcels of securities values at less than A\$500), indicating a limited market for trading of the securities and increasing the costs of communications to members and holding member meetings.
- **Concentrated holdings** – The top 20 CDI Holders hold approximately 91 % of CDIs currently on issue, which contributed to the limited trading liquidity in Simavita securities.
- **Large number of CDIs on issue** – The dilutive nature of the large number of CDIs outstanding has contributed to the trading liquidity concerns.

#### **Applicability of the *Corporations Act 2001 (Cth.)* of Australia**

The Corporation is incorporated in British Columbia, Canada and is registered as a "foreign corporation" under Chapter 5B of the *Corporations Act 2001 (Cth)(Australia)* (**Corporations Act**). Simavita is not subject to Chapter 2J of the Corporations Act which deals with share capital reductions and share buy-backs. As stated above, Simavita is subject to securities laws in British Columbia, Canada and the corporate laws under the *Business Corporations Act* (British Columbia) and under its existing articles which govern the buyback or capital reduction of securities, rather than the Corporations Act.

## **Recommendation of the Independent Directors**

In making its determinations and recommendations, the Independent Directors considered and relied upon a number of substantive factors, observed that a number of procedural safeguards were and are present to permit the Independent Directors to represent effectively the interests of the Corporation and the Corporation's Shareholders/CDI Holders, and considered a variety of uncertainties, risks and other potentially negative factors concerning the Delisting (which the Independent Directors concluded were outweighed by the potential benefits of the Delisting).

Having thoroughly reviewed and carefully considered, information concerning the Corporation and upon consideration of all of the Corporation's alternatives, and after consulting with the Corporation's Australian and Canadian legal advisors, the Independent Directors have unanimously determined that the Delisting is in the best interests of the Corporation (considering the interests of all affected stakeholders) and unanimously recommends that the Board approve the Delisting and recommends that Shareholders/CDI Holders vote in favour of the Delisting.

## **Background to the Delisting**

Simavita Limited, (ASX Code: SVA) was incorporated under the laws of the Yukon Territory on May 28, 1968 and continued under the laws of the Province of British Columbia, Canada on December 3, 2013. Simavita was admitted to the official list of ASX Limited (**ASX**) on February 19, 2014. Until August 3, 2016, Simavita was also listed on the TSX Venture Exchange. It is now solely listed on ASX.

Simavita's shares trade as CHESS Depositary Interests (**CDIs**). Its sole shareholder is CHESS Depositary Nominees Pty Ltd, a wholly owned subsidiary of the ASX, which legally holds the shares on behalf of all CDI Holders, whilst each CDI holder retains the beneficial ownership of the shares underlying their CDIs.

Simavita is seeking shareholder approval for its voluntary removal from the official list of the ASX (**Removal**).

The Board of Simavita have considered all of the Corporation's alternatives in order to commercialise the Smartz technology including current and future sources of funding and after consulting with the Corporation's Australian and Canadian legal advisors, the Board has unanimously determined that the Delisting is in the best interests of the Corporation (considering the interests of all affected stakeholders).

- I. **Resolution #1: A special resolution of CDI Holders (with a 75% majority, approving and authorizing, for the purposes of ASX Listing Rule 17.11 and for all other purposes, that the Corporation be removed from the official list of ASX on February 22, 2021 (or such later date as is agreed with ASX).**

## ***Specific information about Resolution #1 (Delisting)***

On October 30, 2020, the Corporation made an application to ASX under Listing Rule 17.11 for the removal of the Corporation from the official list of ASX (that is, for the Corporation to be delisted) (**Delisting**) and also sent a notice of meeting to all CDI Holders seeking to approve the Delisting.

On November 9, 2020, the Corporation received a formal decision from ASX subject to the following conditions below:

*“Decision*

*1. Based solely on the information provided, pursuant to Listing Rule 17.11, ASX Limited (‘ASX’) agrees to remove Simavita Limited (the ‘Company’) from the official list of ASX, on a date determined by ASX in consultation with the Company, subject to compliance with following conditions.*

*1.1 The request for removal of the Company from the official list of ASX is approved by a special resolution of the Company’s security holders.*

*1.2 The notice of meeting seeking security holder approval for the Company’s removal from the official list of ASX must:*

*1.2.1 include the time and date at which the Company will be removed from ASX if that approval is given;*

*1.2.2 include a statement to the effect that the removal will take place no earlier than one month after approval is granted; and*

*1.2.3 include, to ASX’s satisfaction, information prescribed in section 2.11 of ASX Guidance Note 33.*

*1.3 The removal shall not take place any earlier than one month after security holder approval is obtained.*

*1.4 The Company releases the full terms of this decision to the market.*

*1.5 The Company complies with the relevant rules and procedures under Section 13.5A of the ASX Settlement Operating Rules.*

*2. ASX has considered Listing Rule 17.11 only and makes no statement as to the Company’s compliance with other listing rules.”*

As is its usual practice, ASX has imposed a requirement under Listing Rule 17.11 and Guidance Note 33 Removal of Entities from the ASX Official List, that the Corporation obtain shareholder approval to its Delisting. Resolution 5 seeks the required shareholder approval to the Delisting under and for the purposes of the ASX Listing Rules.

On December 2, 2020, Simavita released the results of the special general meeting held on December 2, 2020, whereby 66.66% of Simavita CDI holders voted in favour of the Delisting Resolution, which was less than the required majority of 75% required pursuant to the ASX Listing Rules. As a result, the Delisting Resolution was not passed and Resolution #1 now puts forward the same resolution to pursue the Delisting.

Since December 2, 2020, Simavita has obtained additional financing by the issue of \$2,300,000 in Debt Notes which are subject to conversion pursuant to resolution 2 set out below.

### **Timing for Delisting**

In accordance with ASX requirements, Delisting may not occur until at least one month following the Special Meeting. Accordingly, it is proposed that the Delisting occurs on February 22, 2021. Please see the timetable on page 14 for further details.

## **Intentions for the Corporation following the Delisting**

If Resolution 1 is passed, the Corporation will be able to proceed with the Delisting. Following the Delisting, the Corporation will continue to operate as a Canadian unlisted non-public reporting company.

### *Vision*

As an unlisted company, Management plans to continue to pursue its vision to be a technology supplier to the global diaper market. As such, Management has no plans to change the Corporation's vision and continues to be focused on a rapid route to market through major industry partners. The Company has changed its business and sales model as to how to engage with industry participants and gain market penetration / traction - rather than a direct to market model. While no major product sales have been achieved to date, as mentioned earlier Simavita has conducted a pilot low scale manufacturing run of diapers incorporating the Company's technology. The Company is currently engaged and well advanced in confidential, non-binding discussions with industry participants for partnering and licensing opportunities (**Partnering Discussions**) which could lead to possible product development and marketing opportunities for the Company. Those Partnering Discussions have included negotiations on possible joint marketing and joint development opportunities and also possible financial modelling as to how potential industry partners could share in revenue from commercial product sales. Simavita is hopeful that this may allow Simavita to penetrate the global diaper market at less cost and more efficiently (in association with a larger industry participant) than if Simavita continued alone (which Simavita has done to date). However, there is no guarantee that any Partnering Discussions will result in binding contracts or even if binding contracts are concluded - that the potential Partnering Discussions will result in Simavita being successful in its development and commercialization objectives. The Company is also currently engaged and well advanced in confidential, non-binding discussions with potential new industry investors regarding an equity investment ("**Potential Financing**"), but no binding commitments have to date been secured by Simavita and Simavita remains limited by its current cash position. The Potential Financing, if it were to be agreed, would be predicated upon a successful delisting of the Company from the Official List of the ASX.

### *Management and Board:*

The Corporation has no current plans to make any material changes to Management or the Board.

## **Risks of not Delisting**

The Board sees the following potential commercial risks of remaining listed on ASX at this time:

- 1 **Foregoing compelling opportunities:** The Corporation has been approached by leading investors which seek to fund an acceleration in growth. Such acceleration opportunity, which could solidify the Corporation's industry leadership and block potential competitors, may be unavailable to the Corporation if listed on ASX.
- 2 **Risk of lower returns:** There is no guarantee whether Simavita will be successful in its commercialisation efforts and therefore no guarantee of the value / potential price of a Simavita share in the future. While Simavita is unable to provide any valuation advice, it is a risk that CDI Holders may realise lower returns for an ultimate 'exit' in the future if the valuation of the Corporation is pegged to the market capitalization implied by the market price of CDIs on ASX (rather than negotiated by the Board as an unlisted Corporation).

- 3 **Required disclosures causing financial/competitive harm:** The details of publicly available financial statements (among other disclosures) may diminish leverage in future contract negotiations and cause material complications. Further, the Corporation may initiate an acceleration plan that would require public disclosure, which may cause significant complexities with partners and ultimately reveal key strategies to competitors.
- 4 **Management time and effort:** Management will be required to attend to listing related matters, and such time could be directed elsewhere if the Corporation was unlisted.

### **Effect of Delisting**

If Shareholders approve Resolution #1, the Corporation's CDIs will be suspended from quotation on ASX on February 20, 2021 (**Suspension Date**) and the Corporation will be removed from the Official List of ASX on February 22, 2021 (**Removal Date**).

As mentioned above, following Delisting, CDN will terminate the trust under which the shares are currently held and transfer the legal title to the underlying shares of common stock to CDI Holders so that CDI Holders will instead hold the full legal and beneficial title to 1 share in Simavita Limited for every CDI held at the date of Delisting. After the Removal Date, shares will only be capable of sale by private transaction.

In addition:

1. **Share numbers and share capital** - the Corporation has 1,153,865,910 CDIs on issue as at the date of this Notice of Meeting. The Delisting will, of itself, have no impact on the number of Securities. However, as a result of the Capital Reduction being completed on January 7, 2021, the number of Shares on issue in the Corporation will be reduced and will be announced to the ASX Market Announcements Platform on January 7, 2021.
2. **Assets and liabilities** - the Directors consider that the Delisting will not adversely affect the Corporation's capacity to meet its existing and anticipated obligations and pay its debts as and when they fall due. The Directors believe that the Delisting will result in certain cost savings for the Corporation;
3. **Control of the Corporation** - Once the Capital Reduction is completed, the number of CDIs on issue in the Corporation will be reduced by approximately 65 million CDIs however, this should not have any material impact on control of the Corporation. At present, over 90% of the CDIs in Simavita are held by the top 20 holders and they will not materially change as a result of the Capital Reduction;
4. **Impact on creditors** - having regard to the Corporation's current, anticipated and contingent financial requirements and current cash position, the Directors have assessed that the Delisting will not adversely impact the rights of the Corporation's creditors or the ability of the Corporation to pay its debts as and when they fall due - however where the Capital Reduction is approved the Corporation will use some of its cash reserves to pay out entitlements on the implementation of the Capital Reduction;
5. **Disclosure of CDI price** - the price of the Corporation's securities and trading history will no longer be available on the ASX website or newspapers and stock ticker services;
6. **Listing Rule compliance** – the Listing Rules will cease to apply to the Corporation and it will be



primarily regulated under *Business Corporations Act* (British Columbia) as a private company;

7. **CDI/Share trading** – CDI Holders will be able to trade their CDIs on ASX between the date of this Notice of Meeting and the Suspension Date. As mentioned above, following Delisting, CDN will terminate the trust under which the Shares are currently held and transfer the legal title to the underlying Shares to CDI Holders so that CDI Holders will instead hold the full legal and beneficial title to 1 Share of common stock for every 1 CDI held at the date of Delisting. Shareholders wishing to trade their Shares after this period will be entitled to transfer their shares off-market to a willing third party purchaser in accordance with the Corporation's Bylaws (and any applicable securities laws). Such a third party market may not be liquid and Security holders will be personally responsible for sourcing potential purchasers of their shares;
8. **Limitation under investment mandates** – Certain institutional CDI Holders may be required under their investment mandates to only invest in listed companies. Accordingly, prior to or following the Delisting, such shareholders may be required to transfer their investment to a vehicle which permits investment in unlisted entities or may be required to divest their holding either on-market prior to the Suspension Date or off-market; and
9. **Options** – The Delisting will not have any impact on the Options currently on issue in the Corporation other than, if exercised, the holders will receive Shares in an unlisted Corporation rather than securities traded on ASX.

#### **How can I convert my CDIs to Shares?**

All CDI Holders have the right to convert their CDIs into Simavita shares. 1 CDI is equivalent to 1 Share. CDI holders can convert their CDIs into shares any time by:

- Completing and returning the register removal request, which can be obtained by contacting Computershare on 1300 555 159 (within Australia) or +61 3 9415 4000; or
- Contacting your broker, if your CDIs are held on the CHESS Sub-register.

Note that if Shareholders do not approve the Delisting, CDI Holders will be able to convert their Shares back to CDIs at any time. Further, after delisting, Simavita intends to terminate the current CDI depository arrangements as there will no longer be any need for a person to hold CDIs (instead of direct Shares in Simavita). Please see below.

#### **Steps to be taken by CDN if CDIs are not converted to shares by February 22, 2021**

Following Delisting, as there will need no liquid market for the CDIs or Shares, CHESS Depository Nominees Pty Limited (**CDN**) will terminate the Trust under which the shares are currently held and transfer the legal title to the underlying shares so that CDI Holders will instead hold the full legal and beneficial title to 1 share for every 1 CDI held at the Date of Delisting.

#### **Advantages, Disadvantages and risks of Delisting**

The Board has considered the potential advantages, disadvantages and risks associated with the delisting the Corporation from ASX.

## **Advantages of delisting**

The key advantages of the Delisting essentially reflect the reasons for the Delisting set out above.

## **Disadvantages and risks of delisting**

The Board has considered the potential disadvantages and risks associated with the Delisting, which include the following:

- (a) The Delisting will directly impact the liquidity that would have otherwise been available to CDI Holders as the CDIs will no longer be capable of being traded on ASX.
- (b) If the Corporation is delisted, the Listing Rules will no longer apply to it. In particular, CDI Holders will forego the protections inherent in the Listing Rules in respect of matters including:
  - (i) disclosures and restrictions on the issue of securities such as the inability to issue over 15% of the Corporation's capital in a 12-month period without shareholder approval;
  - (ii) making significant changes to the Corporation's activities;
  - (iii) requirement to obtain shareholder approval for certain transactions with related parties of the Corporation; and
  - (iv) requirement to comply with the ASX Corporate Governance Principles and Recommendations.

However, the Corporation will continue to be bound by the requirements of the *Business Corporations Act* (British Columbia) which include, subject to the Corporation's Articles, shareholder approval requirements for matters such as:

- i. amendments to the Corporation's articles;
- ii. the election and removal of directors;
- iii. entry into certain transactions with "interested shareholders" of the Corporation;
- iv. entry into fundamental corporate transactions, including, with certain exceptions, a dissolution, merger, consolidation or sale of all or substantially all the assets of the Corporation;
- v. a shareholder of the Corporation participating in certain merger and consolidation transactions may, under certain circumstances, be entitled to appraisal rights, such as having: (a) a court to determine the fair value of the stock or requiring the Corporation to pay such value in cash, and (b) adoption of certain anti-takeover measures; and
- vi. establishing share plans and making amendments to such plans.

Under Canadian securities laws a broad range of regulatory obligations are imposed on companies with public shareholders. These regulatory requirements necessitate the engagement of independent accountants, financial consultants, investor relations, lawyers and other skilled personnel, and compliance with ongoing continuous disclosure obligations and shareholder communications obligations, which represent a significant financial burden. In light of the forgoing, the Corporation believes that the time and costs entailed in meeting the legal obligations to public shareholders cannot be justified in view of the Company's highly illiquid securities and present business strategy.

As a Canadian unlisted non-public reporting company, the Company can continue to raise funds by way of private placement of securities pursuant to various exemptions under Canadian securities laws and by way of private agreement without being subject to certain onerous Canadian securities

law disclosures and requirements. Furthermore, Simavita can subsequent to the Delisting, apply to cease to be a reporting issuer and could be a private company with no further public disclosure reporting obligations, which would reduce costs and time spent on compliance.

### **Remedies available to Shareholders**

Shareholders are not afforded rights of dissent with respect to the Delisting, however, if the Delisting is approved and the Corporation proceeds, Shareholder may avail themselves of taking certain legal action if they consider the removal from the ASX contrary to their interests as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, them. The Corporation encourages all security holders to consult with their own investment dealer, stock broker, accountant, lawyer or other professional advisor.

### **What is the effect if the Resolution #1 is not passed?**

If Resolution #1 is not passed, unless a subsequent proposed delisting is approved by CDI Holders or ASX determines that the Corporation's securities should no longer be listed, the Delisting will not proceed, and the Corporation's securities would remain listed on ASX.

### **Board Recommendation and Chairman's voting intention for Resolution #1**

The Board recommends that CDI Holders vote in favour of this item of business. The Chairman intends to vote undirected proxies in favour of this resolution.

The Board recommends that CDI Holders seek legal, financial and tax advice about the potential impact of Resolution #1, including the potential advantages and disadvantages of holding shares in an unlisted Canadian corporation.

The indicative timetable for Resolution #1 is as follows:

#### **Indicative Timetable**

<b>Date</b>	<b>Action</b>
24 December 2020	<b>Announce proposed Delisting of the Company from ASX (subject to receipt of shareholder approval).</b>
24 December 2020	<b>Notice of Meeting (seeking approval for Delisting) dispatched to security holders</b>
24 December 2020	<b>Record date</b> for voting at Special Meeting
20 January 2021	<b>Special Meeting to approve Delisting of the Company from ASX</b>
18 February 2021	Suspension Date – suspension of CDIs from trading on ASX
22 February 2021	<b>Removal of Simavita from the official list of ASX</b>
23 February 2021	ASX Settlement Pty Limited to revoke approval of CDIs
after 23 February 2021*	Board of directors of CDN resolve to revoke trust
after 23 February 2021*	Notice sent to CDI holders stating that approval of CDIs has been revoked by ASX Settlement and that CDN has revoked the trust (and the effective date of the revocation of the trust)
after 23 February 2021*	CDN transfers title to the shares underlying any remaining CDIs to the former CDI holders

Note: \* will be updated after consultation with ASX. All dates and times above are to Sydney, Australia time (Australian Eastern Daylight Time). The Company will also inform security holders of any changes to the indicative timetable referred to above by market announcement made via the ASX market announcements platform.

## **Resolution # 2: Approving the conversion of Debt Notes**

### **Events Leading to the Financing**

On December 23, 2020, the Corporation announced it had secured funding commitments, in aggregate, of AUD\$2,300,000 from professional or sophisticated investors (all of whom are exempt from disclosure under Chapter 6D of the Corporations Act, referred to as **Exempt Investors**). All investors who have committed to subscribe for notes have entered a note deed with the Corporation (**2020 Note Deed**) effectively for the issue of Debt Notes or Convertible Notes, as the case may be (**Financing**).

The Financing comprises an immediate payment of a total of \$2,300,000 (**First Tranche**), in return for which the Corporation issued 2,300,000 Notes (not at that stage convertible into CDIs, referred to as **Debt Notes**). The convertibility of the Debt Notes is subject to CDI holder approval, as proposed in this notice of meeting (**CDI Holder Approval**).

After receipt of the CDI Holder Approvals, all Debt Notes on issue shall be regarded as Convertible Notes. Reference in this Information Circular to "2020 Notes" is a reference to Debt Notes or Convertible Notes, as the context requires.

The intended use of the funds raised pursuant to the Financing is for the Corporation to commercialise its software platform technology Smartz™ and for other working capital purposes.

The Financing is the result of arm's length negotiations conducted by the Corporation, through the Directors Messrs. Michael Spooner and Damien Haakman, over some months, seeking to raise additional capital as part of its overall financing activities. The Directors were eventually introduced to, and were able to successfully conclude discussions with, various parties (being the investors described in Resolution #2 and accepted terms for the offer of note securities (pending CDI Holder Approval, advanced as debt) by investors described herein, which discussions facilitated the ability to raise capital by the initial issue of Debt Notes, and after CDI Holder approval, the issue of convertible notes. The Board is of the view that the terms of the Debt Notes / Convertible Notes were negotiated on arm's length commercial terms and represent reasonable market terms for the Company in its current financial position.

The Corporation's capital raising (without prior Shareholder/CDI Holder approval) is constrained by the amount of capital it can raise pursuant to the ASX Listing Rules, in particular, the Corporation's 15% placement capacity under ASX Listing Rule 7.1.

***There is no guarantee that Shareholders/CDI Holders will approve the convertibility of the Debt Notes or the issue of the Convertible Notes – in which case the Corporation will be in default under the terms of the 2020 Note Deed - entitling the Noteholders to require the Corporation to immediately repay the principal amount under the Debt Notes (AUD\$2,300,000) plus interest.***

### **Applicability of the Corporations Act 2001 (Cth.) of Australia**

The Corporation is incorporated in British Columbia, Canada and is registered as a "foreign company" under Chapter 5B of the Corporations Act (Australia). The Corporation is not subject to a number of provisions of the Corporations Act including chapter 6 of the Corporations Act and in particular the 20% prohibition rule contained in section 606 of the Corporations Act and the substantial CDI Holder notification provisions contained in section 671B of the Corporations Act. The Corporation is not subject to the jurisdiction of the Australian Takeovers Panel.

### ***Exemption from Formal Valuation Requirement***

The Financing of the Corporation by the Noteholders, constitutes a “related party transaction” under Canadian securities laws, Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). MI 61-101 provides that an issuer involved in a related party transaction must obtain a formal valuation, unless an exemption from this valuation requirement can be relied upon. The Corporation has determined that a formal valuation exemption under MI 61-101 is available. The Corporation is relying upon the financial hardship exemption set out in paragraph (g) of section 5.5 of MI 61-101 because: (i) the Corporation is in serious financial difficulty; (ii) the transaction is designed to improve the financial position of the Corporation; (iii) the Corporation is not subject to a court approval or a court order under bankruptcy or insolvency law; (iv) the Corporation has one or more independent directors in respect of the transaction; and (v) the Corporation's board of directors, acting in good faith, has determined, and at least two-thirds of the Corporation's independent directors, acting in good faith, has determined that subsections (i) and (ii) apply and that the terms of the transaction are reasonable in the circumstances of the Corporation. There has been no prior formal valuation of the securities issued in the Financing as there has not been any necessity to do so.

### **Recommendation of the Independent Directors**

In making its determinations and recommendations, the Independent Directors considered and relied upon a number of substantive factors, observed that a number of procedural safeguards were and are present to permit the Independent Directors to represent effectively the interests of the Corporation and the Corporation's Shareholders/CDI Holders, and considered a variety of uncertainties, risks and other potentially negative factors concerning the Financing (which the Independent Directors concluded were outweighed by the potential benefits of the Financing).

Having undertaken a thorough review of, and carefully considered, information concerning the Corporation and upon consideration of all of the Corporation's alternatives, and after consulting with the Corporation's Australian and Canadian legal advisors, the Independent Directors have unanimously determined that the Financing is in the best interests of the Corporation (considering the interests of all affected stakeholders) and **unanimously recommends that the Board approve the Financing and recommends that Shareholders/CDI Holders vote in favour of the Financing.**

Some of the key factors considered as a part of the evaluation and approval process included but not limited to the following:

- The current financial position of the Corporation, as well as the financial position, opportunities and the outlook for future potential and operating performance of the Corporation and the business currently operated by the Corporation.
- Estimated cash flow projections for the Corporation.
- Current price of the Corporations' CDIs on the ASX market.
- Alternatives available to the Corporation (including the potential adverse impact on the value of the Corporation's assets if the group was placed into administration).
- The uncertainty created by the current global economic slowdown disruption to capital markets and its effects on the Corporation's ability to obtain additional financing for working capital, capital expenditures, general corporate and other purposes or to fund future operations on favourable terms or at all.

Based on the Corporation's financial position, the Board believes that there is significant uncertainty as to whether the Corporation would be able to successfully refinance the Debt Notes by their repayment date, or secure alternative funding, if shareholder/CDI holder approval is not forthcoming. The Corporation is unlikely to have sufficient funds to be able to meet its ongoing commitments in respect of its assets. In these circumstances, the Board believes that it is highly likely that the Corporation will become insolvent and that Shareholder/CDI Holders will lose all or significant portion of their investment. If shareholders/CDI holders do not approve the proposed Resolutions to convert the Debt Notes and Issue the Convertible Notes, the Corporation believes it would need to call an immediate trading halt in the Corporation's securities until such time as there was sufficient certainty that the Corporation could redeem the Debt Notes.

In accordance with the disclosure requirements of ASX Listing Rule 7.3, the following information must be provided to CDI Holders to enable them to consider and approve this Resolution #1:

- (i) the Debt Note holders are Exempt Investors and the proposed Convertible Note holders are Exempt Investors;
- (ii) the maximum number of CDIs that may be issued through the conversion of Convertible Notes (including the Debt Notes, once convertible) is 766,666,666. The Convertible Notes may be converted by the Noteholder at any time, and will automatically convert into CDIs upon the shareholders approving resolution #1 to delist the Company from the ASX (Delisting Resolution).

Set out below are the Shares/CDIs issued at different prices as a result of different scenarios. Example 1 assumes that the Delisting Resolution is passed and as a result all convertible notes are converted at a price of \$0.013 at the time of conversion. Example 2 assumes that at the date the Delisting Resolution is passed, the 5 day volume weighted average market price (VWAP) at the time of conversion has reduced to \$0.01. Example 3 assumes that a resolution of shareholders has not passed a Delisting Resolution on or before 5pm AEDT on 28 February 2021.

Example	Conversion Price	Shares on Issue as at date of Notice	Shares Issued on Conversion	Dilution to shareholders (%)
1	\$0.013	1,153,865,910	176,923,076	15.3%
2	\$0.010	1,153,865,910	230,000,000	19.9%
3	\$0.003	1,153,865,910	766,666,666	66.4%

- (iii) the Debt Notes have already been issued. If CDI Holder Approval is obtained, the Debt Notes will be deemed to automatically become convertible equity securities and the Convertible Notes will be issued immediately upon receipt of such CDI approval and will convert at the latest three months after the date of the Meeting i.e. no later than April 20, 2021 (or such later date as permitted by ASX waiver or modification of the Listing Rules;
- (iv) each Debt Note will be issued in consideration for a subscription amount of AU\$1.00 per Note, being \$2,300,000 for the Debt Notes already advanced;
- (v) the terms of the Convertible Notes set out in the Note Terms in Schedule A;
- (vi) the Convertible Notes will be secured over the assets of the Group. Any CDIs issued on

conversion of the Convertible Notes will rank equally with the existing quoted CDIs of the Corporation;

- (vii) it is expected that monies raised upon the conversion of the Convertible Notes will be used by the Corporation, to commercialise its software platform technology Smartz™ and for other working capital purposes; and
- (viii) the text of Resolutions #2 is set out in the accompanying Notice.

Resolution #2 must be passed by a simple majority of the disinterested CDI Holders. Therefore, the Corporation will disregard any votes cast in favour of Resolution #2 by:

- (i) Exempt Investors and otherwise any person who will participate in the issue or who will obtain a material benefit as a result of, the proposed issue; and
- (ii) an associate or affiliate of that person (or persons).

However, this does not apply to a vote cast in favour of resolution #2 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**The directors of the Corporation unanimously recommend CDI Holders vote in favour of Resolution #2**

#### **INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES**

No director, executive officer or employee of the Company, no former director, executive officer or employee of the Company, no proposed nominee for election as a director of the Company, and no associate of any such director, executive officer or proposed nominee is, or at any time during the Company's most recently completed financial year was, indebted to the Company or indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, other than routine indebtedness.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of management of the Company, no person who is an informed person of the Company, nor any proposed director of the Company, nor any associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company and that, directly or indirectly, involves remuneration for services.

#### **MANAGEMENT CONTRACTS**

There are no management functions of the Company which are to any substantial degree performed by a person other than the directors or executive officers of the Company.



## **SCHEDULE A 2020 NOTE TERMS SUMMARY**

The below is a summary of the key terms applicable to each 2020 Convertible Note.

<b>Term</b>	<b>Description</b>
<b>Use of Funds:</b>	To focus on the Corporation's business model by continuing to bring its software platform technology Smartz™ to market and for other working capital purposes.
<b>Interest:</b>	Coupon rate of 5% per annum, with all interest payable upon the earlier of conversion, redemption or the Maturity Date.
<b>Maturity Date:</b>	February 28, 2021
<b>Security and priority:</b>	<p>The Convertible Notes will be secured convertible notes. A general securities deed poll granting security over the entire Corporation's assets and undertakings in Australia will be executed by the Corporation in favour of each 2020 Noteholder. The security shall cease as the Convertible Notes are converted or redeemed.</p> <p>The secured money owing to each Noteholder by the Corporation shall rank pari passu and pro rata between each 2020 Noteholder without any preference or priority between them. The Note Deed includes general terms governing Noteholders conducting Noteholder meetings and a process for actions that may be taken by the Noteholders.</p>
<b>Conditions Precedent</b>	<p>Conditions Precedent to the 2020 Note subscriptions include:</p> <p style="text-align: center;">(i) the General Security Deed is executed by the Corporation;</p> <p>If the conditions for the notes are not met by 31 January 2021 any funds already advanced must be repaid.</p>
<b>Requisite Approvals</b>	<p>The Convertible Notes will remain debt notes unless and until the Corporation obtains all Requisite Approvals. "Requisite Approvals" comprise:</p> <ul style="list-style-type: none"> <li>(a) CDI Holder and CDI holder approvals under the applicable listing rules of the ASX;</li> <li>(b) ASX final approvals or waivers;</li> <li>(c) Consent of any existing noteholders and</li> <li>(d) Australian and Canadian corporate law approvals required under applicable law, regulation or policy requirements,</li> </ul> <p>in each case for the issue of the Notes as debt instruments, for these Notes to be regarded as convertible into CDIs and for the issue of the CDIs upon Conversion of the Notes.</p> <p>Subject to obtaining all Requisite Approvals, the 2020 Notes already issued will be regarded as convertible into CDIs.</p> <p>If the Requisite Approvals are not obtained by 31 January 2021 the Notes will remain a secured debt note, but the interest will accrue thereafter at a higher rate (10%) and the relevant Noteholders may upon 15 Business Days' notice after the Sunset Date require the Notes to be redeemed.</p>

<b>Repayment:</b>	<p>Repayment is due on earlier of:</p> <ul style="list-style-type: none"> <li>• Maturity Date (if required by the Noteholder and not already Converted); or</li> <li>• the occurrence of an Event of Default.</li> </ul> <p>If repayment is due to the occurrence of an Event of Default the Corporation must redeem the relevant Notes by paying the Principal outstanding plus Accrued Interest (including interest at the annual rate of 10% as from the date of service of the default redemption notice)</p>
<b>Events of default:</b>	<p>The Convertible Note Deed also includes customary events of default including:</p> <ul style="list-style-type: none"> <li>• the Corporation breaches a material term of the Deed;</li> <li>• any warranty is materially misleading or untrue;</li> <li>• occurrence of an insolvency event;</li> <li>• Court judgement in excess of \$100,000 is obtained against the Corporation.</li> <li>• The Delisting resolution is not passed on or before 5pm on the Maturity Date</li> </ul>
<b>Covenants</b>	<p>The Corporation provides each Noteholder with usual commercial covenants for a transaction such as this Financing</p>
<b>Transferability</b>	<p>The Notes are not transferable.</p>
<b>Conversion</b>	<p>The Convertible Notes may be converted by the Noteholder at any time, and will automatically convert into CDIs upon the shareholders approving the resolution to delist the Company from the ASX.</p> <p>The number of CDIs to issue upon Conversion is calculated by dividing the sum of the principal amount paid under the Convertible Notes plus accrued interest; by the Conversion Price. The Conversion Price shall be determined as follows:</p> <ul style="list-style-type: none"> <li>(a) upon the shareholders approving the resolution to delist the Company from the ASX the Conversion Price is the lower of \$0.013 or the 5 day VWAP prior to the delisting date.</li> <li>(b) where a Noteholder elects to Convert, the Conversion Price is the lower of \$0.013 or the 5 day VWAP prior to Conversion date or</li> <li>(c) upon the "Maturity Date" the Conversion Price is equal to \$0.0003.</li> </ul> <p>Where the CDIs are reconstructed, consolidated, divided or reclassified into a lesser or greater number of securities under circumstances not otherwise contemplated by the Note Terms or the Note Deed, the Conversion Price and / or Conversion Number shall be adjusted by the Company as it reasonably considers appropriate, having first obtained independent confirmation of the adjustment.</p>

**Conversion Examples**

For completeness, examples of the conversion price and the maximum number of CDIs that can be issued on conversion is set out in the table below

<b>Conversion Price</b>	<b>Shares on Issue as at date of Notice</b>	<b>Shares Issued on Conversion</b>	<b>Dilution to shareholders (%)</b>
\$0.013	1,153,865,910	176,923,076	15.3%
\$0.010	1,153,865,910	230,000,000	19.9%
\$0.003	1,153,865,910	766,666,666	66.4%

## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

SVA

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received by **11:00am (Australian Eastern Daylight Time) on Monday, 18 January 2021.**

# CDI Voting Instruction Form

## How to Vote on Items of Business

Each CHESS Depositary Interest (CDI) is equivalent to one share of Company Common Stock, so that every 1 (one) CDI registered in your name at 24 December 2020 entitles you to one vote.

You can vote by completing, signing and returning your CDI Voting Instruction Form. This form gives your voting instructions to CHESS Depositary Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESS Depositary Nominees Pty Ltd enough time to tabulate all CHESS Depositary Interest votes and to vote on the underlying shares.

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the Australian registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided, which state the office held by the signatory, ie Sole Director, Sole Company Secretary or Director and Company Secretary. Delete titles as applicable.

## Lodge your Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## CDI Voting Instruction Form

Please mark ☒ to indicate your directions

### STEP 1 CHESS Depositary Nominees Pty Ltd will vote as directed

XX

#### Voting Instructions to CHESS Depositary Nominees Pty Ltd

I/We being a holder of CHESS Depositary Interests of Simavita Limited hereby direct CHESS Depositary Nominees Pty Ltd to vote the shares underlying my/our holding at the Special Meeting of Simavita Limited to be held at the offices of K&L Gates, Level 31, 1 O'Connell Street, Sydney NSW 2000, Australia on Wednesday, 20 January 2021 at 11:00am (Australian Eastern Daylight Time) and at any adjournment or postponement of that meeting.

By execution of this CDI Voting Form the undersigned hereby authorises CHESS Depositary Nominees Pty Ltd to appoint such proxies or their substitutes to vote in their discretion on such business as may properly come before the meeting.

### STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing CHESS Depositary Nominees Pty Ltd or their appointed proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

For Against Abstain

#### Resolution #1: Approval of delisting of the Corporation from ASX

Considering, and if thought fit, passing a special resolution of CDI Holders (with a 75% majority), to approve and authorize, for the purposes of ASX Listing Rule 17.11 and for all other purposes, being passed that the Corporation be removed from the official list of ASX on February 22, 2021 (or such later date as is agreed with ASX) and that the Directors of the Corporation be authorised to do all things reasonably necessary to give effect to the delisting of the Corporation from ASX and otherwise as more particularly described in the accompanying management information circular; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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#### Resolution #2: Conversion of Debt Notes

Considering, and if deemed fit, passing an ordinary resolution of disinterested CDI Holders approving and authorizing, their issue and for the purposes of the ASX Listing Rule 7.1 and all other purposes the 2,300,000 non-convertible Debt Notes issued to Exempt Investors on December 23, 2020 and that those Debt Notes be regarded as convertible into the Company's CDIs (and therefore a form of 'equity security' for the purposes of the ASX Listing Rules) and the conversion mechanism and terms relating to these Debt Notes, as described in the Note Terms, become operational on the terms particularly described in the accompanying management information circular; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**Resolution #3:** transacting such further and other business as may properly come before the said meeting or any adjournment or postponement thereof.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

--

Sole Director and Sole Company Secretary

Securityholder 2

--

Director

Securityholder 3

--

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

SVA

272148A



Computershare +