



Simavita releases 2014 Annual Report

For Immediate Release

November 18, 2014

Sydney, Australia – Simavita Limited (ASX: SVA; TSX-V: SV) (“Simavita” or the “Company”) is pleased to release its 2014 Annual Report.

Copies of the 2014 Annual Report may be obtained from the Company by contacting Ms. Danielle Tiller at dtiller@simavita.com or via telephone on (02) 8405 6300.

For further information, please visit the Company’s profile on SEDAR (www.sedar.com) or the Company’s website (www.simavita.com) or contact the persons outlined below.

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About Simavita

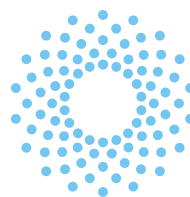
Simavita is a medical device company operating in the digital healthcare sector that has developed an innovative, world first solution for the management of urinary incontinence, with a focus on the elderly. The first product is the SIM™ platform technology which is an instrumented incontinence assessment application that provides evidence based incontinence management care plans to the residential aged care market.

About SIM™

SIM™ is a wireless sensor technology that delivers evidence-based instrument incontinence data on individuals. SIM™ provides user friendly tools and software to assess the incontinence condition and to help plan better outcomes. SIM™ is used to detect, record and report incontinence events during a compulsory or recommended assessment period in residential aged care facilities to develop an evidence-based incontinence care plan.

Conducting assessments is mandatory in many countries and the incontinence assessment creates an influential element of care of each individual. For more information on Simavita or SIM™, please visit www.simavita.com.

The TSX Venture Exchange has in no way passed upon the merits of the transactions set out herein and has neither approved nor disapproved the contents of this press release. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this Release.



Simavita
gracing life

Digitizing aged care



2014 Annual Report

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Unless otherwise noted, all currency amounts contained in this Annual Report are stated in Australian dollars.



About Simavita

Simavita is part of the exciting and expanding digital healthcare sector and has developed an innovative, wearable platform which is a patented, world-first solution for the assessment and management of urinary incontinence.

The Company's flagship product is the Smart Incontinence Management (SIM™) platform technology. The first application of SIM™ is a software enabled instrumented incontinence assessment which provides evidence-based care plans. The first market for SIM™ is the elderly living in long-term care facilities. This reduces the cost of the care of elderly people while providing significant clinical benefits.

The SIM™ technology developed and commercialised by Simavita provides a cost effective solution to the growing global problem of urinary incontinence assessment and management, the global market for which exceeds USD 6 billion per annum.

The first application of the Company's SIM™ product has taken many years of hard work, customer interface, and more than \$40 million of private investor funds and Australian government grants to develop and commercialise. Simavita has been recognised for its aged-care technology innovation and leadership and has received a number of prestigious industry awards.

Dual listed on both the TSX Venture Exchange in Canada (TSX-V: SV) and the Australian Securities Exchange (ASX: SVA), the Company's first platform application, for which there are currently no known commercially-available competitors, is protected by a valuable and expanding portfolio of intellectual property assets.

With its registered office in Vancouver, Canada and its head office in North Sydney, Australia, the Company currently employs approximately 30 staff in Australia together with a small, but growing, team of sales and marketing professionals in the USA to support the Company's exclusive distributor in that market, Medline Industries, Inc.

Significant milestones achieved by the Company during the 2014 financial year include:

- ▶ The successful development and commercialisation of the fourth (Wi-Fi enabled) generation of SIM™.
- ▶ The receipt of further clearances, approvals and accreditations from all regulatory agencies, including FDA, CE and TGA.
- ▶ The expansion of sales of SIM™ in the Company's local (Australian) market.
- ▶ The appointment of a large and successful distributor in the US and the commencement of sales in that market.
- ▶ The expansion of an extensive patent family in all target markets.
- ▶ The commencement of negotiations with distributors in both Europe and Canada.
- ▶ The successful dual listing of the Company and the raising of more than \$20 million in new capital.



Letter from the CEO

Dear Shareholders,

I am delighted to report to you as CEO of Simavita Limited ("Simavita"), following the conclusion of Simavita's first financial year as a listed public company. The 2014 financial year has been an extremely busy and productive one.

Our first product is the Smart Incontinence Management ("SIM™") technology. This application is currently marketed to the aged care sector and is dedicated to providing an instrumented care planning solution for incontinence sufferers, particularly elderly people throughout the world.

We have worked hard to build a solid foundation for the expansion of sales of Simavita's SIM™ technology. The fourth generation of the technology, the Wi-Fi enabled SIM™ product, was completed in early 2014.

Simavita's vision is to ensure that its technology platform provides a foundation for the horizontal integration of other digital applications in the growing market of aged care monitoring.

The technical development of SIM™ occurred largely in Australia and we are pleased to report the execution of supply agreements with a number of Australian aged care providers, including some leading chains. We anticipate that domestic sales will continue to grow as we promote the many benefits of SIM™ through a variety of means, including direct marketing, attendance at trade shows, the use of key opinion leaders and peer reviewed research.

Simavita has also executed an important exclusive distribution agreement with Chicago-based Medline Industries, Inc. ("Medline") for the distribution of SIM™ in the United States. Medline is a Forbes top 100 private company with a turnover in excess of USD 5 billion. We are pleased to report that sales of SIM™ have already commenced in the United States and we anticipate that these will continue to expand through our distributor, Medline.

There are currently no known commercially available competing products with similar benefits to SIM™. Simavita has the "first mover" advantage and part of its core strategy is focussed on exploiting this important advantage in as many major markets as possible.



A showcase site has been established in Copenhagen, Denmark. This is a collaboration with the Municipality of Copenhagen and Abena A/S, a global manufacturer of incontinence products.

Simavita has advanced discussions with several other parties regarding potential distribution agreements for specific territories in Europe and Canada and we expect further showcase sites to be established in Sweden and Canada in 2015.

Simavita is also poised to maximise its future in the digital healthcare space. Our SIM™ technology will provide a platform that will allow for connectivity, data analysis and integration. The collection, interpretation and management of health data forms a major part of our global growth strategy. Software as an enabler is a growing phenomenon and Simavita's vision is to capitalise on the growing opportunities in this sector.

The Company's technology provides a strategically important platform to integrate smart monitoring technology and "big data" collection. Relationships with strong partners who have established routes to market or a core competency in respect of expanding the platform application underpins the Company's overall strategy.

We are pleased with what has been achieved by Simavita during 2014. Our product is now well validated and protected, and distribution rights have been granted or are being sought by well-credentialed parties in a number of large markets. As we continue to develop improvements to our unique and cost-effective product offering, we are confident that the expansion of Simavita's global footprint will continue, delivering benefits for all stakeholders.



Simavita has been successful in attracting a number of key executives during the year. Tom Howitt, our CFO and Company Secretary, has had considerable listed public company and international experience; Paul Won, Global Head of Manufacturing and Supply Chain, has broad experience in manufacturing and supply chain, including procurement and demand planning, customer service, tenders and contracts, and warehousing and logistics; and Dr. Mehdi Azimi, who will manage Simavita's expanding intellectual property portfolio.

The 2014 financial year also included a number of important achievements in respect of corporate and financing matters. A successful capital raising of \$14.3 million and a dual listing on the Canadian TSX Venture Exchange and the Australian Securities Exchange was followed prior to the end of the financial year by an additional capital raising of \$6 million. Proceeds from Simavita's various capital raisings have been used to fund the development of new global markets for Simavita's proprietary SIM™ technology, support product improvements, establish an inventory pipeline and provide working capital for the expansion of the business.

In what has been an exciting year, I would like to thank Simavita's Board and our staff for their dedication and hard work. I would also like to thank our shareholders for their patience and loyalty and I look forward to working with you all as Simavita takes its next major steps forward.

The Company's vision holds great promise for Simavita and I believe we have a clear plan to achieve our goals.

Yours sincerely,



Philippa M. Lewis
Chief Executive Officer



Board of Directors and Senior Management

DIRECTORS

Ari B. Bergman *(Acting Chairman and Non-Executive Director)*



Ari was appointed as a Director of Simavita Holdings Limited in 2007 and, following its acquisition by the Company, of Simavita in November 2013. He is currently a Non-Executive Director of the Company and Acting Chairman. Ari worked with his late father, Dr. Fred Bergman, in the early stages of development of the SIM™ technology.

Ari worked as a commercial lawyer in private practice at one of Australia's most prestigious law firms; co-founded Nutech Health, a medical technology distribution business, and currently acts as General Manager and General Counsel of the Spotlight family office which controls one of Australia's largest and most diverse private groups which includes the Spotlight and Anaconda retail chains, and a large property portfolio, in addition to a variety of other businesses.

Ari is completing a doctorate in law at Monash University and is a member of the Australian Institute of Company Directors.

Philippa M. Lewis *(Chief Executive Officer and Executive Director)*



Philippa was appointed as a Director of Simavita Holdings in 2007 and of Simavita in November 2013. She is the Chief Executive Officer of the Group and an Executive Director of the Company.

Philippa has over 30 years of local and international business experience across multiple industry sectors including retail, healthcare, construction, international technology transfer, franchising, patent management, import, distribution and manufacturing. In 2002, Philippa was recognised as one of the Zurich Business Leaders of the Year.

Prior to joining Simavita, Philippa was the Chief Executive Officer and founder of Sanicare, an Australasian import and distribution business for textile based and non-woven adult incontinence products. Under her guidance, Sanicare grew to be a market leader with over \$20 million in turnover. In 2005, she sold the Sanicare business to a FTSE-listed entity, staying on as Chief Executive Officer and Director.

Philippa's academic qualifications span Business and Law. She is a member of the Australian Institute of Company Directors and the Institute of Arbitration and Mediation. Philippa has recently joined the Board of the Medical Technology Association of Australia (MTAA).

Damien M. Haakman *(Non-Executive Director)*



Damien was appointed as a Director of Simavita Holdings in 2012 and of Simavita in November 2013.

Damien is the Managing Director of a private family office. He manages and invests in a portfolio including commercial property, property development joint ventures, and mezzanine finance and bridging loans as well as investments in start-up and pre-listed companies. Damien's background includes; due diligence work, forecasting, market assumptions and trends. He has a keen interest in the technology sector including the impacts of new disruptive technologies and their effects on their market. Damien is a member of the Australian Institute of Company Directors.

SENIOR MANAGEMENT

Thomas G. Howitt *(Chief Financial Officer and Company Secretary)*



Tom was appointed as a Director of the Company in June 2005. He subsequently resigned as a Director to assume the role of CFO and Company Secretary in April 2014. He is a Chartered Accountant, member of the Taxation Institute of Australia and Institute of Chartered Secretaries.

During a career spanning more than 20 years, he has served as CFO (and Company Secretary) for a number of public companies, listed on the ASX and foreign stock exchanges (NASDAQ, TSX, NZSE). His experience covers all facets of financial management and control across a variety of industries, including resources and technology. Tom has played key roles in the successful raising of significant bank debt and equity capital and the management of complex due diligence programs. He has also worked as a Taxation Consultant for international accountants Ernst & Young and in the investment banking industry. Tom is an

International Associate of the American Institute of Certified Public Accountants (AICPA), a member of the US Society of Corporate Secretaries & Governance Professionals and a current member of the Victorian Branch Committee of AusBiotech Ltd.

SENIOR MANAGEMENT CONTINUED

Peter J. Curran *(Chief Technology Officer)*



Peter was appointed as Executive VP of Operations at Simavita Holdings in 2009, responsible for R&D and Operations. He was appointed Chief Technology Officer in 2014 to ensure close executive focus on R&D and related IP activities. He has nearly 30 years' experience in engineering, operations, and commercial management and has been active in consumer, industrial and defence markets across power, telecommunications, computer technology, gaming, and medical device products and services. Peter spent his early working career as an electronics design engineer of industrial power equipment for Lincoln Electric before moving into senior and principal engineering roles in defence with GEC Marconi Systems and Stanilite and then into executive management positions in manufacturing and commercial management within the electronics industry. Peter holds qualifications in electrical engineering, business administration and has accreditations in business improvement.

Paul Won *(Vice President - Manufacturing and Supply Chain)*



Paul was recently appointed as Manufacturing and Supply Chain VP, based in Australia. He has held senior management positions in manufacturing and supply chain at a number of companies including Baxter Healthcare, Bard Australia, and Hill-Rom. Paul is responsible for managing the implementation of the Company's manufacturing and supply chain function and has degrees in electrical engineering and a masters degree in management.

Veronica E. Traverso-Mitchell *(General Counsel)*



Veronica joined Simavita Holdings in 2010 and is responsible for the provision of legal advice on a range of matters to the Simavita Group. She has over 15 years' experience in commercial and corporate law gained both in Sydney, Australia and London, England. Her experience includes general commercial law, intellectual law and corporate finance and mergers and acquisitions, working with private, public and listed companies. Veronica is admitted to practice as a solicitor in Australia and England and Wales.

Dr. Mehdi Azimi *(Research Manager - Intellectual Property)*



Dr. Mehdi Azimi has a proven track record in leading and managing the development of high technology products, taking them from product inception to commercialisation. His areas of expertise include electronics, computing systems, microelectronics, biomicroelectromechanical systems, and medical devices. He has held senior technical and managerial positions at companies that include NIR Technology Systems Pty. Ltd. (now Next Instruments), Miva Corporation, Silverbrook Research Pty. Ltd., Geneasys Pty. Ltd., and Kimiya Pty. Ltd. and he was a faculty member at the University of Tehran. Dr. Azimi has a PhD in electrical engineering from Auburn University in Alabama, USA.

Dr. Peter H. Aigner *(Vice President - Engineering)*



Peter is responsible for the day-to-day research and development engineering activities of the Company. He has over ten years' experience in engineering, project management and business development in Australia and overseas with Invetech and Corbett Robotics. He has primarily been involved with the development of instrumentation for human diagnostics and life science applications including DNA analysis. Peter holds qualifications in electrical engineering and holds a Ph.D. in Robotic Engineering.

Dr. Hadi Mashinchi *(Research Project Manager)*



Dr. Hadi Mashinchi (PhD, Macquarie University, IEEE member) is an inventor and an expert in data mining. Hadi has experience in sensor data analysis, statistical analysis, mathematical modelling and optimisation including the publication of a number of inventions and scientific papers. At Simavita, he has been involved in research and development activities such as algorithm prototyping and development, mathematical modelling and also intellectual property related matters.

Hadi has served on the review boards of scientific journals and international conferences. He is currently serving as member of international review board of International Journal of Energy Optimization and Engineering (IJEEO) and the program committee member of International Symposium on MapReduce and Big Data Infrastructure to be held in December 2014 in Sydney, Australia.

Industry overview

THE RAPIDLY EXPANDING DIGITAL HEALTHCARE SECTOR

"Smart, connected products raise a new set of strategic choices about how value is created and captured, how companies work with traditional and new partners, and how they secure competitive advantage as the new capabilities reshape industry boundaries. For many firms, smart, connected products will force the fundamental question, 'What business am I in?'"

(M. Porter et.al., Harvard Business Review, November 2014)

Simavita is in the "business" of digitizing aged care.

Wearable technology is a growing technology category that broadly defines sensor-based devices worn by consumers, typically providing convenient mobile monitoring for health and fitness purposes. Digitizing and monitoring the care of the elderly is an important solution for a sustainable future.

Sensors used in wearable electronic devices are forecast to rise by a factor of seven from 2013 through 2019, as illustrated in Figure 1 on page 7.

The wearable electronics market is forecast to increase from over USD 14 billion in 2014 to over USD 70 billion in 2024 (IDTechEx 2014), with the dominant sector remaining healthcare which merges medical, fitness and wellness.

The inclusion of low power communications protocols in smart devices, such as phones, tablets and most recently watches, combined with smaller, more energy efficient sensor designs and increased applied research into smart textiles, will accelerate opportunities in the wearables space, including in the aged care market.

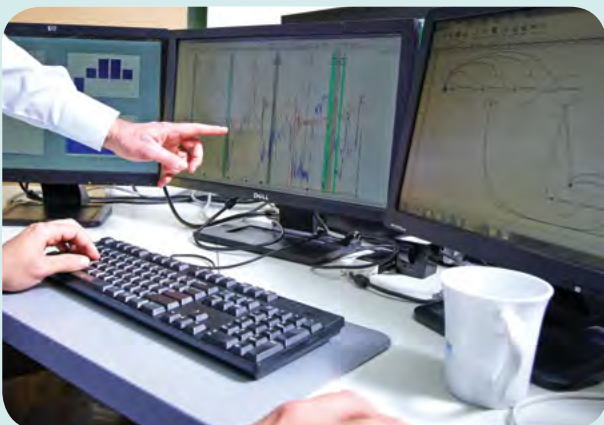
Simavita is well positioned to actively participate in the wearables space given its:

- ▶ Real world, in-market experience of a medical device worn by patients (SIM™);
- ▶ Real world, in-market experience embedding sensors in incontinence products (SIM™);
- ▶ Extensive partner network in global centres of excellence for sensor design;
- ▶ Extensive IP and in-house expertise in algorithms;
- ▶ Acquisition of applied communication IP; and
- ▶ A natural market fit with convenient, unobtrusive assessment and monitoring for independent living.

The predicted increase in the size of the digital healthcare market has resulted in an increase in investment in this expanding sector. US investment in the sector has already exceeded USD 3 billion in 2014 with further transactions in the pipeline.

The rising tide in the digital health space is supported by healthcare and payment reform, and federal incentives. The clear objective is "costs out" of the system. Simavita is well placed to not only reduce healthcare costs but to provide enhanced clinical outcomes at the same time in a rapidly expanding market.

Simavita is also well positioned across the main subsectors of digital health, being "big data" healthcare analytics, where companies offer predictive and prescriptive data and analytics for the healthcare sector, and the quantified self where companies use sensor and data technologies to track health and wellness, which strongly intersects the "wearables" space, and real time healthcare.



THE GROWING AGED CARE MARKET

“The world stands on the threshold of a stunning demographic transformation. It is called global aging, and it promises to reshape virtually every dimension of the economy and society over the next few decades.”

(The Global Aging Preparedness Index, 2013)

During the past 70 years, improvements in health care and nutrition have brought about dramatic increases in life expectancy, in both the developed and developing world. The next 20 years will see an explosion in the percentage of the developed world's population who will be over 65 years of age. In developed economies, aged care expenditure as a percentage of GDP is growing dramatically.

Directly linked to the accelerating increase in the size of the elderly population will be a growing demand on industry and governments to establish the workforce and infrastructure required to service the aged care industry, in all of its forms. This challenge of sourcing, securing, training and retaining a work force large enough to fulfil the demands of the emerging aging population is unfeasible without a dramatic change in the current approach. There are already indications of an emerging deficit.

At the forefront of the aged care provision deficit is the inability to effectively assess and manage diseases and disabilities such as dementia and incontinence, cut costs and labour while at the same time improve clinical outcomes.

Urinary incontinence (UI) is defined as the involuntary leakage of urine. UI is not a disease, but rather a symptom associated with a wide range of patho-physiological factors. Although it is not an inevitable part of aging, it is more common among the older population than in the general population.

As life expectancy increases, so too does the number of people affected by incontinence. These percentages are especially high in long-term care facilities.

In the US, in long-term care, the prevalence of urinary incontinence is estimated to be above 70% of residents. These figures are similar in other developed countries.

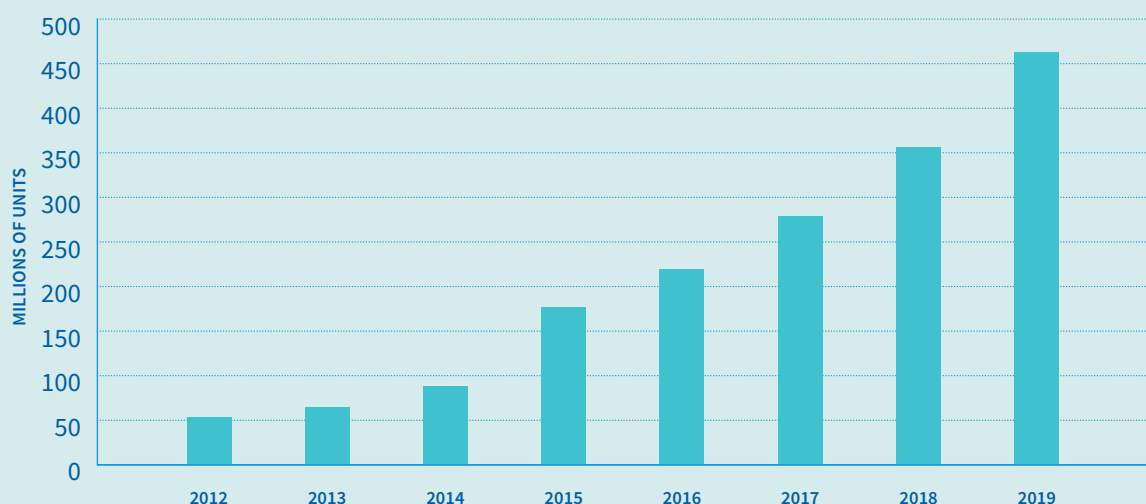
Technology is seen as having a vital role in the quality and range of care available to older citizens, reducing the strain on care workers.

There is a need to harness new cost effective assistive and information technologies that offer opportunities for productivity gains and higher quality care. Due to expected labour shortages in the aged care sector, it is expected that productivity gains would need to be in the order of 20% to 30% per annum.



Figure 1: Global forecast of micro electro mechanical systems and sensor shipment for wearable devices

Source: IHS Technology, 2014



"The Company's flagship product is the Smart Incontinence Management (SIM™) platform technology. The first application of SIM™ is a software enabled instrumented incontinence assessment which provides evidence-based care plans."



Simavita's business and product

AN EXCITING AND GROWING SECTOR

Simavita is part of the digital healthcare sector and has developed an innovative, patented, world-first solution for the assessment and management of urinary incontinence, with an initial focus on the elderly. SIM™ is a platform technology and the first product is a software enabled instrumented incontinence assessment which provides evidence-based incontinence management care plans to the residential aged care market. This product reduces the cost of the care of elderly people while providing major clinical benefits.

Critical issues for success

In the US, Simavita has appointed Medline Industries, Inc., a leading distributor to the Long Term Care (LTC) market and, in mid-2014, commenced a national roll-out targeted across the US which has already generated sales of SIM™. To support a successful roll-out in the US, the Company has established its own small sales force.

A number of advancing negotiations with European companies are underway regarding potential distribution arrangements in those markets. The Company will need to negotiate supply agreements with these parties and provide the support necessary in order for them to be successful in their respective markets.

Simavita's SIM™ platform technology places the Company in a strong position to exploit new product applications, markets and geographies. These new markets are substantial and offer both mainstream and niche segments for further SIM™ applications. By leveraging off the current technology quickly and effectively, product development will lead to lower cost of goods and revenue commencement can be accelerated. Human and financial resources will need to be deployed to ensure these developments occur in a timely fashion.

Simavita's business model is evolving quickly from the early manufacturing and sales model originally established in Australia to a distribution model for its core LTC product. In the future, Simavita will use its platform technology to drive a business model which also recognises a potentially large contribution from royalty and licensing revenue streams.

WHAT IS SIM™ TECHNOLOGY?

The Company's Smart Incontinence Management (SIM™) technology is a unique digital sensor technology that collects and interprets information needed in the formation of the care plan for the elderly person. It takes assessments from being manual to being instrumented while providing a digitised evidence-based care incontinence profile which is integral for controlling costs and delivering improved health care outcomes. Conducting incontinence assessments is accepted practice in all target countries and is an important element of the care of each individual resident/patient.

It is estimated that at least 15 million manual assessments are currently performed annually around the world. SIM™ instruments this existing manual activity. SIM™ replaces the current, inaccurate, process of manual assessments which are highly labour intensive during the incontinence assessment process for staff and disruptive to residents.

A SIM™ assessment delivers information that supports subsequent integrated care planning activities:

- ▶ an evidence-based incontinence report that creates an individualised toileting program for residents;
- ▶ support for appropriate urinary incontinence product allocation;
- ▶ a protocol to validate the newly-created toileting program and incontinence product usage; and
- ▶ information to assist the validation of aged care funding around Activities of Daily Living ("ADLs").

How does SIM™ address the incontinence problem?

SIM™ technology is addressing the impact of incontinence on patients in Residential Aged Care Facilities (RACFs) globally. The impact of urinary incontinence (UI) on residents of long term care has a range of associated medical problems with both physical and psychological consequences, including damage to skin, urinary tract infections, increased risk of falls and incontinence-associated dermatitis (IAD) that can lead to pressure ulcers.

The prevalence of UI in RACFs in Australia is 71% or almost 129,000 residents and is set to climb with an accelerating ageing population. A review of client records from aged care assessment teams (41,000) and nursing homes (128,900) in Australia found that 87% of registered nurses recorded UI as a "very significant" or "significant" reason for relocating into a nursing home. Management of UI is also a challenge for family carers.

In Australia, aged care services at a Federal level are provided in accordance with a set of accreditation standards (Aged Care Standards and Accreditation Agency Ltd, 1997). The Continence Management Standard is a subset of Standard 2: 'Health and Personal Care'. The primary goal of the continence standard is to identify residents who are incontinent or at risk of becoming incontinent, and then to assess them with a view to formulating individualised treatment and management care plans. RACFs rely on a manual urinary incontinence assessment practice to establish individualised care. This typically involves care workers asking residents about their voiding patterns or manually checking their clothes/continence product every one to three hours over a 72-hour period to profile their physiological bladder control and to determine their frequency and pattern of incontinence.

The accuracy of the data collected during manual assessments is often questionable. If assessment data is inaccurate the whole care plan process will be ineffective, and will not deliver optimal outcomes for the residents. As a result, staff may lose confidence in the current continence management process and their ability to improve continence for the resident. The use of evidence-based plans prepared using SIM™, however, can lead to patients regaining independence, improved socialisation and overcoming depression which increases the patients' quality of life in an RACF.

Product development history

The original concept for the SIM™ technology was developed by an Australian medical doctor, the late Dr. Fred Bergman, while working with residential aged care facilities in Melbourne. Dr. Bergman's observations of the inadequacy of existing incontinence management processes led him to file his first patent application in 1996 for the development of a technology to effectively assess and manage incontinence.

In 2004, the technology had reached a point where it was appropriate for field testing and the Company applied for and was provided with a grant from the Australian Government to conduct the first field trial. Preliminary findings confirmed significant efficiencies and improvements in quality of care as a result of the use of early stage SIM™ technology.

From 2008, under the leadership of current CEO, Philippa Lewis, commercialisation of the SIM™ technology began and has been refined over a number of product generations of in-market testing in Australia and is now in its fourth generation.

With the maturing of the SIM™ technology, including significant cost reductions delivered with successive generations, the Company's business has evolved through different commercialisation models, all in the Australian market. Sales of the latest Generation 4 SIM™ product have commenced in Australia with more than 40 facilities having adopted the technology. Internationally, the Company has appointed an exclusive distributor in the United States, Medline Industries, Inc., where sales of SIM™ have now also commenced. The Company is planning expansion into Canada, Europe and Japan and into different aged care sectors.

Figure 2 below outlines the history of the Company and its potential technology evolution.



Figure 2: Overview of Simavita's history and SIM™ technology evolution



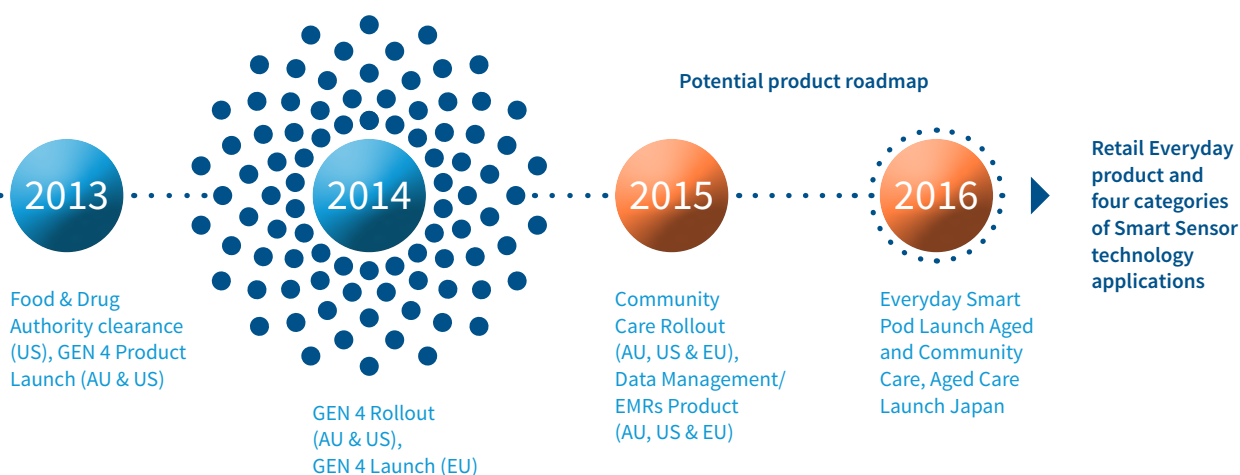
Overview of the SIM™ technology process

Typically, SIM™ is used by carers in residential aged care facilities during an incontinence assessment to gather relevant information and record events which are automatically plotted as a bladder diary. This process helps create an accurate incontinence record of bladder control and related nursing interactions with the individual.

The data is collected by carers providing care to residents as they conduct their normal daily activities. Direct physiological urinary incontinence data is gathered by a sensor contained in an absorbent incontinence product worn by the resident during the assessment period. Incontinence events are detected and transmitted by a small pod ("SIM™ pod") attached to the sensor that is worn by the resident during the assessment.

The SIM™ pod has been designed to operate continuously over the entire assessment period and uses Wi-Fi to transmit event data back to a server based software application ("SIM™ manager") for processing into useful information for clinicians to review. In addition to the direct urinary incontinence data feedback, carers collect related observational data using an intuitive point of care application called "SIM™ assist".

SIM™ assist operates on smart devices (phones and tablets) using Google's Android and Apple's iOS operating systems. The portability of the devices containing the SIM™ assist allows the carer to record relevant data about the resident under assessment at the time of each data event including food and fluid intake, successful and unsuccessful toileting, sensor changes, behaviours and other therapy activity related to urinary incontinence care.



When a SIM™ assessment has been completed and the collected data can be viewed in a comprehensive bladder (contingence) diary, the SIM™ manager software provides a structured decision support process to guide the development of effective individualised care plans for each assessed resident. This assessment process can be depicted as a cycle, as illustrated in Figure 3 below.

The SIM™ manager software produces real time bladder information combined with a carer's observations, a sample of which is shown in Figure 4 below.

The components of the SIM™ technology

SIM™ operates over a Wi-Fi network, but does not require continuous connection. The SIM™ pod is capable of completing an entire assessment without connection to a network via Wi-Fi, but requires such a connection in order to upload all collected information. Figure 5 on page 13 illustrates the operation of the SIM™ network.

Figure 3: Overview of SIM™ assessment process

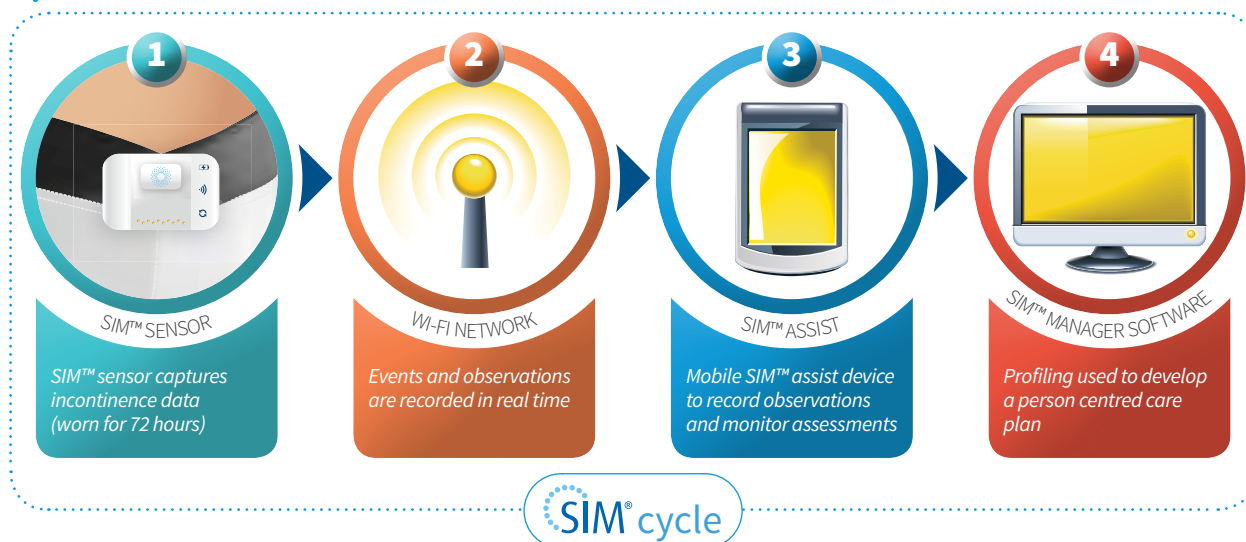


Figure 4: Sample of bladder and assessment chart



MANUFACTURING AND LOGISTICS

All raw material and manufacturing inputs for SIM™ are currently outsourced. Figure 6 provides an overview of the manufacturing arrangements for the key components of the SIM™ technology.

The Company currently carries out all raw material procurement. It does this to ensure that it has a high level of awareness and control of material costs designed into the product. The Company qualifies and monitors critical suppliers and undertakes quality checks and performance feedback.

As sales of SIM™ expand globally, the Company will transition to in-region outsourcing solutions for its new markets, particularly in the United States and Europe.

The Company purchases all materials and components required for product assembly and carries out final assembly and testing of all hardware and software in-house.

The Customer Service team manages orders from the Company's customers for SIM™ consumables. Customer Service places orders with the Company's third party logistics partner for pick up and dispatch of products directly to the customer's site. In the United States, this activity is managed by Simavita's US exclusive distributor, Medline.

The Company manages site support activities through the Customer Service group. Helpdesk support is in place, with all calls logged, ticketed, and triaged for resolution. In the United States, the Company's distribution partner carries out similar support activities.

The Company has recently appointed a dedicated Vice President, Manufacturing and Supply Chain to lead the strategy and manage the implementation of the manufacturing and supply chain function.

Figure 5: SIM™ network

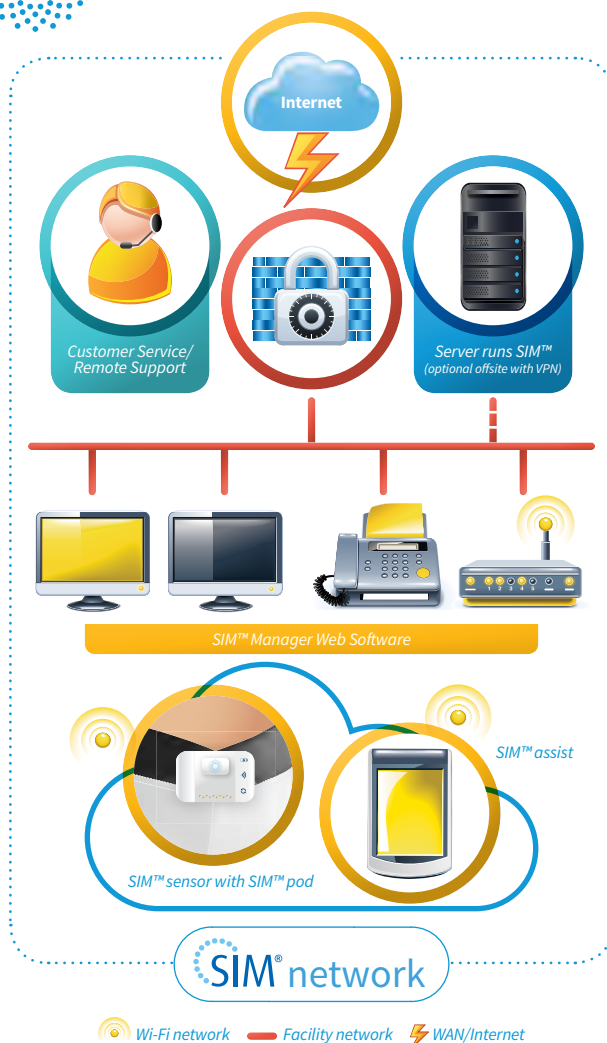


Figure 6: Key components of the SIM™ technology

CONSUMABLES



SIM™ sensors
For SIM assessments
Light (6015)
Moderate (6016)
Heavy (6017)

Assembled in Australia for Simavita
Main components
Light: 30 x SIM™ sensor, 9 x SIM™ pants
Moderate: 20 x SIM™ sensor, 6 x SIM™ pants
Heavy: 20 x SIM™ sensor, 9 x SIM™ pants



SIM™ sensor
Pad with integrated sensor
Light (01505)
Moderate (01508)
Heavy (01511)

Assembled in Australia for Simavita
Main components
Incontinence pad: Light, Moderate, Heavy
SIM™ sensor strip: Light, Moderate, Heavy
Plastic clip: Light, Moderate, Heavy



SIM™ pod kit
Model 601
contains SIM™ pod
and charging dock

Assembled in Australia by Simavita
Main components
1 x SIM™ pod
1 x SIM™ dock
1 x power adaptor
1 x USB cable

DATA ACQUISITION



SIM™ pod
Sensor data acquisition

Assembled and tested in Australia by Simavita
Main components
SIM™ pod printed circuit assembly battery
Plastic housing (top and bottom)



SIM™ dock
Charges SIM™ pod
PC connectivity via USB

Assembled and tested in Australia by Simavita
Main components
Plastic housing (top and base)
SIM™ dock printed circuit assembly

SOFTWARE



SIM™ assist app
Point of care application for the collection of observational data and for messaging

Available through Simavita
Application file available for installation onto Android and iOS devices



SIM™ manager
Processes SIM™ sensor data and hosts SIM™ manager web interface

Available through Simavita
Server based software, including integrated web based assessment and care planning tools

Sales model and strategy

THE FIRST TARGET MARKET FOR SIM™

The first target market for Simavita's SIM™ technology is the residential aged care market where the customers are the providers of institutionalised care to the elderly, including private, government and not for profit entities. As an extension of this group, the Company anticipates that SIM™ could in future also be marketed to the community care sector, initially through care providers.

The potential customers of SIM™ in the community are persons suffering from incontinence who still live at home (and their families) demanding SIM™ related services, especially in relation to maintaining a normal functional life at home for as long as possible. While this would be a user pays business model, the Company is also exploring reimbursement opportunities in the home care space as there are a number of government bodies that provide reimbursement for incontinence management for those living at home. The Company has also targeted opportunities for the use of SIM™ in hospitals, geriatric wards, rehabilitation wards and palliative care wards.

Benefits of SIM™ for the Residential Aged Care Facility

The decision for a residential aged care facility to purchase SIM™ and conduct assessments on residents is based on both the clinical benefits it provides in this important area of care for the elderly, as well as the financial benefits for the operator of the facility.

The financial benefits available fall into a number of areas depending on market funding models and dynamics, including:

- ▶ direct product cost savings from the more efficient use of incontinence products and better selection of products according to the resident's needs;
- ▶ workplace cost efficiencies/labour savings from reduced toileting activity;
- ▶ certification/accreditation costs from the provision of a comprehensive incontinence management application documenting quality incontinence care;
- ▶ reduction of risk of sanction by regulators arising from poor quality health care outcomes;
- ▶ potential revenue uplift based on a more accurate assessment. Funding is based on a per diem payment according to the level of disability of the resident and the requisite care required. Examples of reimbursement opportunities can be identified in the Australian Aged Care Funding Instrument. Currently there is no specific reimbursement code for SIM™ in the US however per diem payments flow to the provider from the US Medicare Prospective Payments System;
- ▶ support for Rehabilitation and Occupational Therapy programs which, in many cases, attract additional government funding;

- ▶ there is reputational enhancement and increased occupancy for facilities that have deployed SIM™ at their site/s; and
- ▶ cleaning and waste savings linked directly to the better allocation of products supported by effective toileting activity.

SIM™ BUSINESS MODEL

Earlier generations of the SIM™ technology were trialled in the Australian market. Expansion in this market has leveraged off the well-established customer base where there is already growing market awareness leading to repeat sales of the product.

Simavita's business is a software enabled "razor/razor blade" model. The razors are the SIM pods™ and software subscriptions which provide revenue to the Company, and the assessments (the sensor diapers and special pants) the "razor blades" – sold at margins that produce recurring gross profit at attractive margins.

In addition to the upfront revenue generated from facilities purchasing the enabling software and hardware, and the on-going revenue from the sale of consumables, there is additional revenue generated by the Company through the provision of associated services, such as clinical assessment services, or training and support services. The market dynamics determine where this is feasible and/or demanded.

Product offering

Simavita's SIM™ solution goes beyond a simple offering:

Core product

- ▶ instrumented assessment tool: assessment provides evidence-based care plans to deliver an effective toileting program and continence aid selection;
- ▶ SIM™ sensor detects multiple incontinence episodes in real time;
- ▶ structured process for assessing, treating and managing people with incontinence; and
- ▶ ability to develop and validate individualised toileting assistance programs.

Core benefit

- ▶ better health outcomes for older people with reductions in the number of falls, improvements in skin integrity and better quality of life;
- ▶ optimising care staff labour resources during an assessment and with productive toileting;
- ▶ provides savings in continence aid selection, laundry costs and government funding; and
- ▶ reduced risk by embracing evidence-based nursing.

Compelling need

Ineffective manual process provides a compelling need for SIM™:

Manual, paper-based practice

- ▶ inaccurate process of recording timed information on incontinence events;
- ▶ time consuming requiring one to three hourly checks to identify bladder pattern; and
- ▶ lacks dignity and respect for residents, requiring a visual inspection of continence aids.

SIM™ continence management practice

- ▶ positive continence management leads to a patient regaining his/her independence, improved socialisation and overcomes depression associated with incontinence; and
- ▶ effective continence management can significantly improve a patient's health outcome through the early detection and management of urinary incontinence, reducing a range of associated problems including reduced risk of urinary tract infections, reduced risk of skin breakdown, and reduced risk of falls and adverse or aggressive behaviours.

Savings potential for governments, Care Providers / patients in a Community Care environment

- ▶ >20% incontinence product cost reduction in RACFs;
- ▶ >20% reduced waste disposal and landfill costs;
- ▶ >20% less toileting provides a significant opportunity for staff redeployment;
- ▶ reduction in labour costs associated with continence assessment and treatment;
- ▶ reduction in wound care product costs; and
- ▶ reduced laundering costs.

Value proposition

Value of using SIM™ is centered firmly around clinical and cost benefits and has several aspects:

Clinical

- ▶ improved care around continence aid usage and toileting based on accurate assessment;
- ▶ less functional incontinence; and
- ▶ fewer continence related health impacts.

Financial

- ▶ reduced time and effort in undertaking assessments;
- ▶ reduced time and effort in the on-going continence care process based on patient centred toileting program;
- ▶ reduced direct cost on over-capacity continence aids and reduced need for aids from effective toileting;
- ▶ reduced costs from associated health issues (skin integrity issues, falls);
- ▶ reduced waste costs;
- ▶ evidence-based support for funding claims; and
- ▶ reduced compliance and accreditation risk.

Organisational

- ▶ improved staffing availability from optimising continence care time; and
- ▶ improved staff engagement to provide valuable, caring activity.

Environmental

- ▶ reduced waste from lower capacity pads and reduced pad usage.

Revenue drivers for the Long Term Care customer

Benefits delivered by the use of SIM™ leading to potential increases in revenue include:

- ▶ Enhanced reputation by using SIM™;
- ▶ Increases in occupancy rates driven by reputation, leading to increased profits;
- ▶ Government Funding is validated and secured by use of SIM™ reports; and
- ▶ Risks are mitigated by evidence-based care.

Cost benefits to customer

Benefits delivered by the use of SIM™ leading to potential reductions in cost include:

- ▶ Labour – head count ratio reduction from 1:8 carers per patient to 1:12 carers per patient;
- ▶ Consumables – reduced by up to 30%;
- ▶ Time management – daily toileting average 8 to 10 times reduced by up to 50%; and
- ▶ Waste – 23% reduction in both volume and cost.

Simavita has estimated that the operator of a 100-bed aged care facility in the US could expect to generate annual net cost savings of approximately \$128,000 from the deployment of SIM™. This assumes that the cost of SIM™ to the facility is around \$28,000 to \$35,000 (higher in year one than in subsequent years).

Marketing

OVERVIEW

SIM™ is a disruptive technology and, as such, the approach to establishing it as the standard for continence care, and for developing adoption broadly, is different to traditional product marketing approaches.

Simavita has employed a “customer engagement” method to define all aspects of its commercialisation approach. The basis of this approach is to ensure that customer problems are well understood and addressed by validating marketing elements starting from the product itself, but also including branding, positioning, and the market offer. This has involved establishing hypotheses which have then been tested and refined in an interactive and iterative engagement with early adopting customers and the market more broadly. This has resulted in the SIM™ Generation 4 product, a related branding and positioning approach, and an in-market offering which has seen the product adopted more broadly. This approach will be replicated in new markets as SIM™ is globalised, as well as for potential product variations in the future (such as the assisted living market).

Incontinence is a significant challenge for residential aged care facilities around the world and is set to become more so as the total market rapidly expands (in line with developing countries globally). To manage the challenge of a shortage in labour supply and funding, technology will be required and SIM™ is one such technology which addresses both clinical shortcomings as well as the macroeconomic challenge facing the aged care industry.

The Simavita marketing plan addresses a number of necessary elements for successful communication and adoption in the market including product positioning, product development, sales model, customer targeting, promotional mix, commercial model and clinical research. A critical part of the Company's

marketing communication involves outcomes from a clinical research program designed to position SIM™ as the benchmark by addressing current practice shortfalls as well as the significant positive outcomes from using SIM™.

GLOBAL MARKET TRENDS

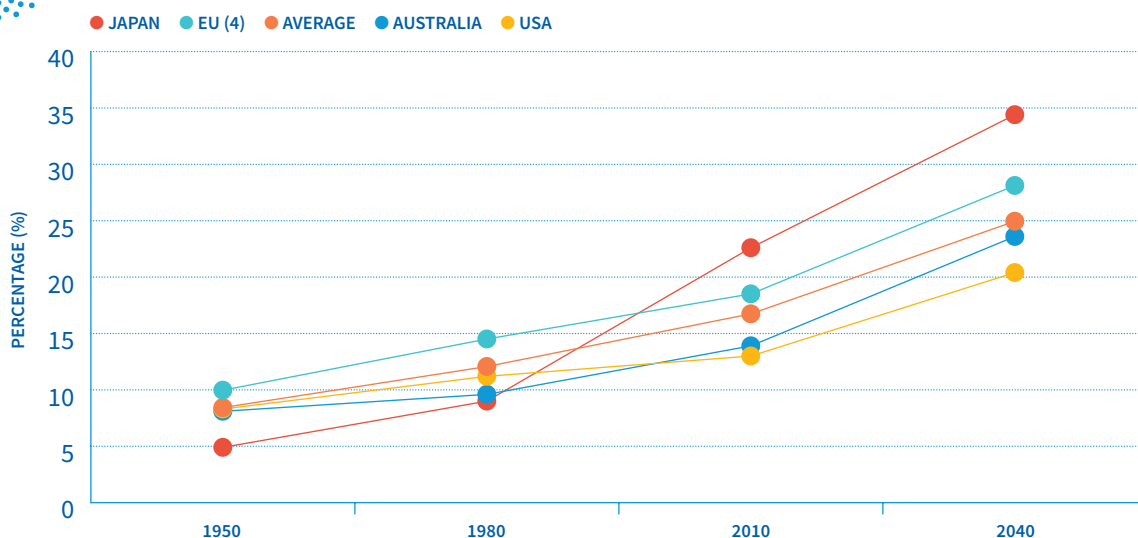
There is a perfect storm brewing in aged care, as illustrated in Figure 7 below and Figures 8, 9 and 10 on page 17. While the number of people aged over 65 as a percentage of the population increases, the number of skilled staff available to care for them is falling. At the same time, the associated cost burden on the community continues to rise.

The Australian incontinence market

Incontinence has a major impact on care service expenditure and is a significant reason for older people moving into a Residential Aged Care Facility (RACF):

- ▶ 71% of residents living in RACFs experience incontinence;
- ▶ incontinence has the third largest impact on the quality of life of older people after dementia and stroke;
- ▶ 25% of a carer's staff time is spent on continence care;
- ▶ incontinence is not a disease, but rather a symptom which relates to various patho-physiological factors;
- ▶ incontinence is not an inevitable part of ageing, it is sometimes curable, and always manageable;
- ▶ current manual incontinence assessment and management processes often lead to institutionalised incontinence; and
- ▶ current accepted practice requires a 72 hour (3 day) assessment to determine continence status and recommend appropriate care plans – but this is a manual process and is largely ineffective.

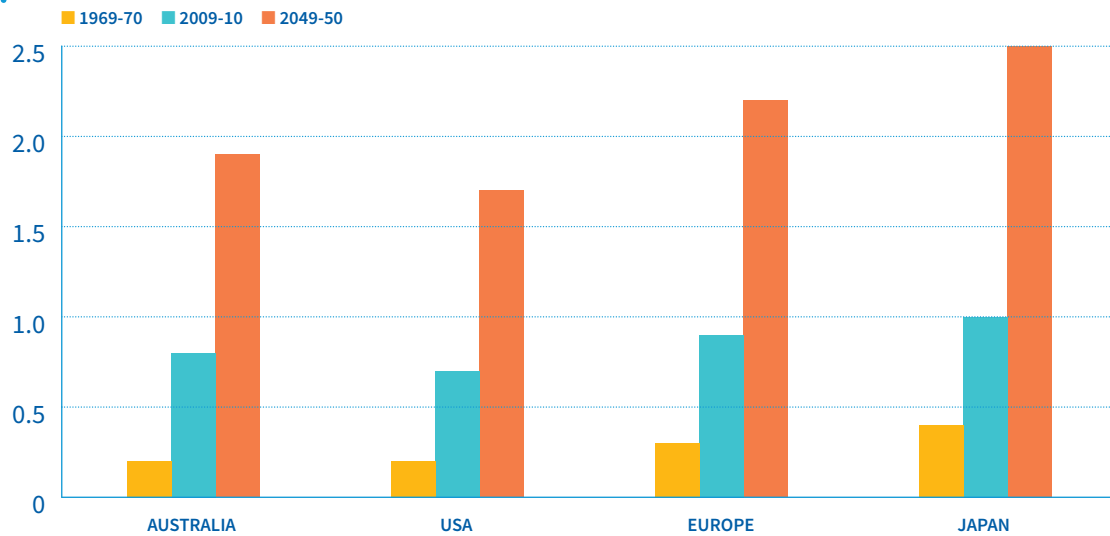
Figure 7: Growth in the number of people over 65 years of age as a percentage of the population



Source: Population division of the UN Department of Economics and Social Affairs



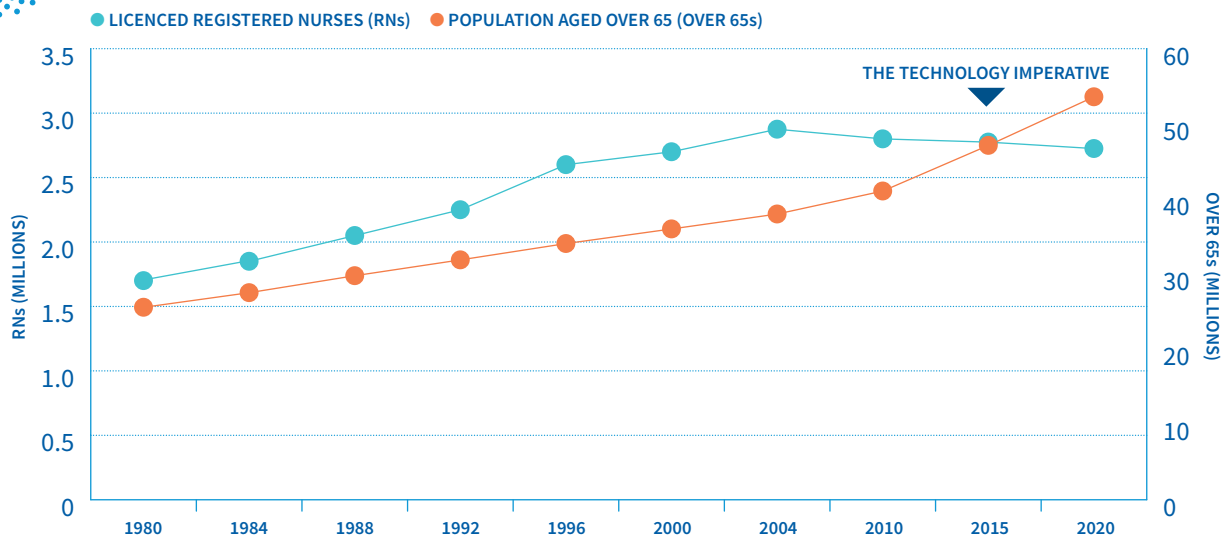
Figure 8: Australian aged care expenditure and a percentage of Gross Domestic Product



Source: European Centre for Social Welfare Policy and Research – Facts and Figures on Long Term Care Europe and North America; Australian Government – The Intergenerational Report 2010; World Bank – GDP by country; CIA – World Fact Books



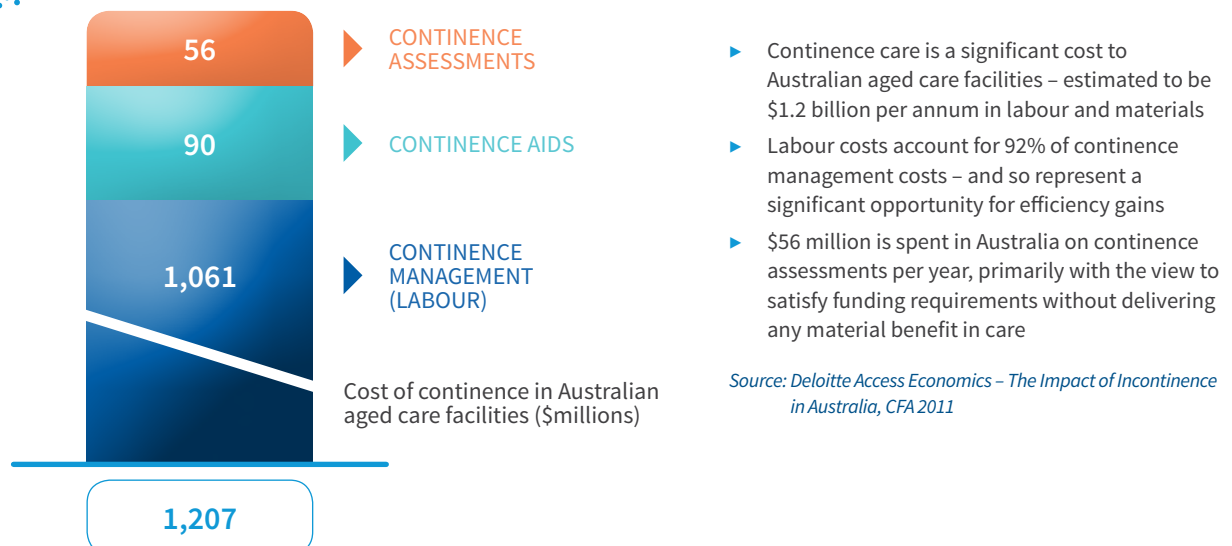
Figure 9: The pending crisis in Australian skilled care staff



Source: Health Resources and Administration 2008



Figure 10: The cost of continence care is significant and driven by direct labour costs



Source: Deloitte Access Economics – The Impact of Incontinence in Australia, CFA 2011

The global incontinence market

Currently, in excess of 240 million people in the western world are incontinent and more than 15 million manual incontinence assessments are conducted every year. The aggregate cost of incontinence assessments in nursing homes has been estimated at over USD 6 billion dollars per annum globally. When the total costs of labour and consumables are considered, the assessment and management of incontinence could be seen as the biggest single cost area in the operation of long-term residential aged care facilities.

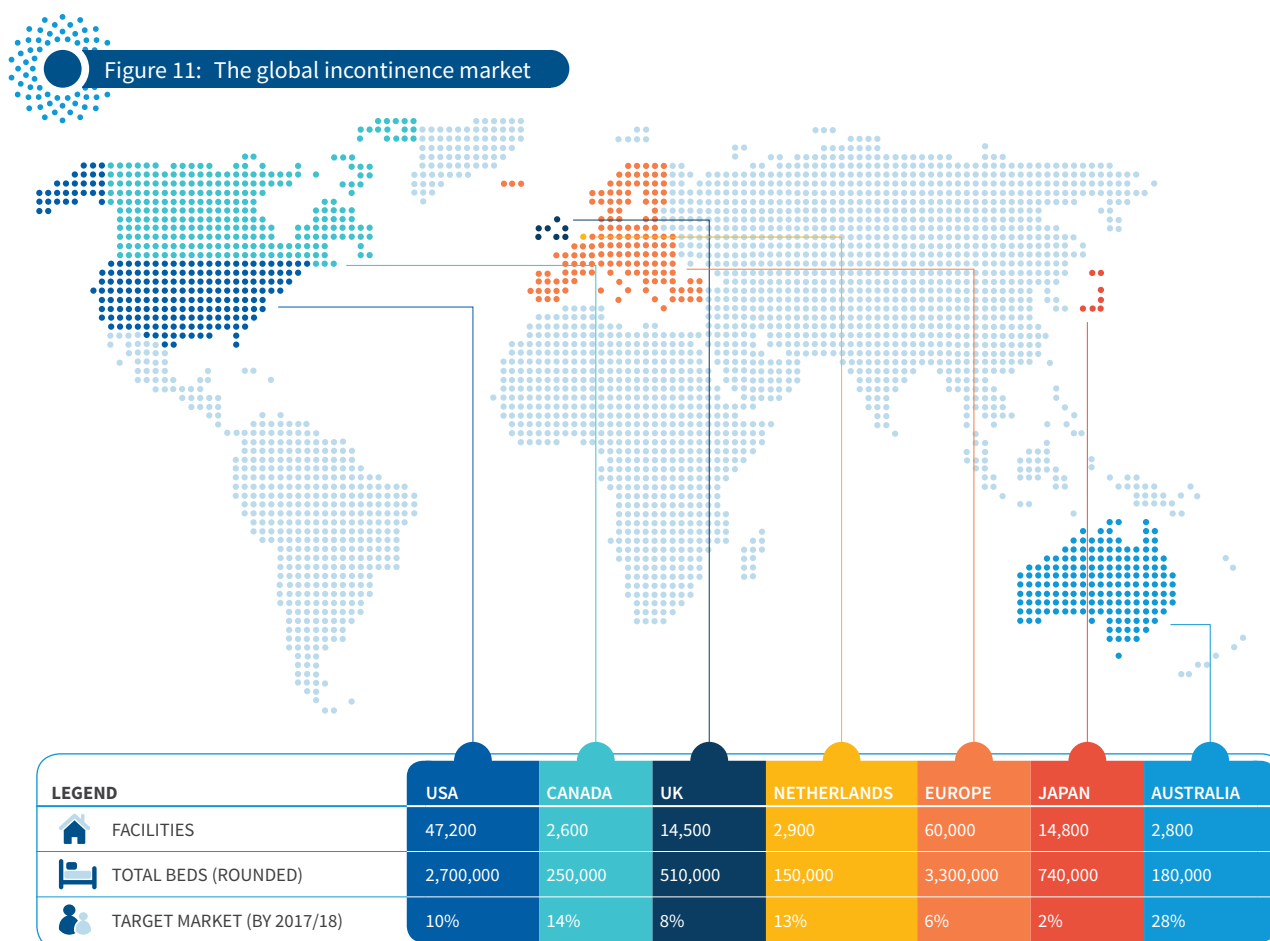
To address this growing problem, the Company has developed and commercialised SIM™, the world's first instrumented and integrated incontinence assessment and management system. SIM™ offers dignity to an aging population and a practical and cost-effective solution for carers and aged-care providers.

Sales of the SIM™ product for incontinence assessment and management have commenced in Australia and the USA. The size of the global incontinence market is significant and the opportunities it presents for the Company are in turn considerable.

Some key facts and figures include:

240 million	people in the western world are incontinent
15+ million	incontinence assessments are performed per annum
USD 6 billion	assessment labour costs per annum (nursing homes only)
USD 9 billion	continence products sold per annum, increasing to USD 30 billion by 2030
Number 2	nursing home cost (after labour)
25%+	of labour attributed to incontinence management in aged care facilities
70%+	of residents in aged care are incontinent
5.4 million	assessments (approximate) per annum – US addressable market

Figure 11 below summarises details of the global incontinence market.



ADDRESSABLE MARKETS FOR SIM™

The addressable target market for SIM™ in long term care is 7,170,000 beds, as represented in Figure 11 on page 18, by the Company's key markets:

Europe	3,300,000
USA	2,700,000
Japan	740,000
Canada	250,000
Australia	180,000

The residential aged care sector accounts for less than 20% of elderly people in the community. The larger cohort of elderly people are in assisted living environments within the community and this represents a natural extension market for the SIM™ application.

In the future, further products all leveraging off the Company's underlying core technology could open up new and potentially larger markets around the world for Simavita.

In conjunction with its exclusive US distribution partner, Medline, the Company launched SIM™ in the US market in July 2014. Since then, sales have commenced in that market, with a number of additional aged care groups now actively assessing the technology. Key drivers for the deployment of SIM™ in the US market include:

- ▶ Long Term Care facilities in the US total 2,700,000 beds (as above);
- ▶ Urinary incontinence costs USD 7,300 per bed per annum in labour alone (or USD 19.9 billion in total);
- ▶ SIM™ reduces labour and other costs and improves occupancy; and
- ▶ Importantly, SIM™ results in a net savings estimated to be approximately USD 1,580 per bed per annum.

COMPETITIVE ADVANTAGES OF SIM™

Improvements over existing manual methods

Performing an incontinence assessment is a necessary step before an incontinence management plan can be created. Such incontinence assessments are usually mandatory and are manually performed in residential aged care facilities across the USA, Canada, parts of Europe, Japan and Australia.

The SIM™ technology offers a detailed and instrumented alternative to the manual process of incontinence assessment that can often lead to inaccurate and unreliable results. The manual process is laborious for care staff and causes significant disruption to residents.

Competitors

Simavita is the first company to market an instrumented alternative to the manual process of incontinence assessment. There are currently no commercially-available competitors to the Company's SIM™ technology which is protected by a strong and expanding portfolio of intellectual property.

There have been attempts by others to provide a solution for improved incontinence management, however, most of the products operating in the incontinence space could be characterised as "saturation monitors", which may be useful for informing care staff when a pad needs to be changed, but not useful for collecting more detailed information relating to the volume and frequency of events. Unlike simple saturation monitors, SIM™ technology is designed to collect the information needed for detailed incontinence care planning.

Some of the important features of SIM™ include:

- ▶ sensitivity to multiple individual micturition (urination) events, enabling a pattern of the incontinence condition to be established;
- ▶ algorithms that help to provide robust incontinence data under live field conditions;
- ▶ a sensor data transceiver ("SIM™ pod") that is waterproof for easy cleaning and maintenance and uses industry standard Wi-Fi;
- ▶ point of care smart apps to facilitate the collection of observational information by care givers; and
- ▶ a process driven software front end GUI that supports care givers through the steps of assessment, care planning and reporting.

Barriers to entry

The technology associated with SIM™ is currently protected by a number of patent families. There are other significant barriers to entry which the Company believes makes Simavita's position robust in the short to medium term. These include the cost of development (the Company's development of the SIM™ product has taken over six years and has cost more than \$40 million), obtaining know how from testing the product in the field and the time, expense and knowledge required to obtain regulatory clearance from government authorities including the FDA in the United States.

Exclusive US Distribution Agreement

In late 2012, Simavita executed an exclusive Distribution Agreement with Chicago-based Medline Industries, Inc. ("Medline") for the distribution of the first SIM™ application in the United States. Under this Agreement, training of the extensive Medline sales force and preliminary marketing of SIM™ has commenced and first sales are now being generated. Simavita has now employed a small team in the US of professionals operating in the areas of technical, clinical training and business development to assist the Medline teams.

Medline Industries, Inc., is the largest privately held manufacturer and distributor of quality medical supplies and clinical solutions in the United States. Based in Mundelein, Illinois, the company has 1,200 direct sales representatives who are dedicated points of contact for customers across the continuum of care.

Medline offers a comprehensive array of consulting and management services encompassing supply chain and logistics. One of its key product lines is incontinence products. It has invested heavily in incontinence product manufacturing including a custom built production facility in Atlanta, Georgia. It is also a major supplier of other associated products and services in healthcare. Medline has a fully integrated learning platform, the "Medline University", where staff are provided with training across a range of products and protocols.

The exclusive Distribution Agreement between Simavita and Medline remains in force for an initial term of five years from January 2014, after which time the Agreement may be renewed for further three-year terms automatically or with Simavita's approval. Medline is required to meet agreed performance criteria under the Agreement and, if it fails to do so, Simavita may remove Medline's exclusivity rights.

POTENTIAL FUTURE ROLL-OUT OF SIM™

Distribution in Europe

Europe is a collection of heterogeneous markets and the incontinence market there is mature and sophisticated. There are a variety of models of funding and care including reimbursement, insurance and "user pays". Simavita has completed a preliminary assessment of key markets including Germany, France, Switzerland, Austria, Denmark, Netherlands, Sweden, Spain and the UK, all of which are potential first entry points.

The Company has now established a show-case site for SIM™ in Copenhagen, Denmark in collaboration with the municipality of Copenhagen and local manufacturer Abena A/S.

The Company is in active discussions with European distributors who are eager to see the SIM™ technology in operation and to discuss potential distribution arrangements for the product in their respective countries.

Expansion into Canada

The Canadian market is targeted for appointment of distributors in early 2015. Market research has identified several potential distributors and discussions have commenced. The market place in Canada is assessment driven, much the same as the United States, European Union and Australia. Initial sales of SIM™ in the United States have already created interest and market awareness of the Company's products in Canada.

The Japanese market

Japan is at the forefront of the global ageing phenomenon. It already has an extremely old population and the trend is set to continue for at least the next 20 years. As such, Japan is viewed by the Company as an important additional market of interest. The Company will further explore the potential of entry into the Japanese market where a preliminary investigation has already been undertaken. Whilst there are cultural differences, the basic principles of aged care, including incontinence assessments are similar. For example, the assessment includes rigorous manual hourly checking and changing during a 72 hour period where an instrumented alternative, such as SIM™, could be very desirable.

BRAND ELEMENTS

- ▶ **Fit:** SIM™ provides a position in the customers' minds that technology can enhance their existing manual incontinence assessment process and care plan practice with an instrumented process.
- ▶ **Essence:** SIM™ enriches the lives of residents and care staff in nursing homes by providing a new culture of continence care.
- ▶ **Value:** SIM™ provides value to the customer through improved clinical outcomes, ease of use (leading to better staff compliance), evidence-based continence care plans that are patient centred, reduction in costs - labour, continence aids and environmental waste, and assistance with government funding.
- ▶ **Uniqueness:** SIM™ is the first instrumented urinary continence tool that can detect multiple incontinence episodes during an assessment period.
- ▶ **Sustainability:** SIM™ is using evidence-based research to support product claims, and continuing product development from direct market interaction to enhance product features and benefits.
- ▶ **Credibility:** SIM™ is building its reputation from flagship sites, thought leader endorsement, global expansion and continued research to prove the integrity and reliability of its product attributes.

SIM™ Case Study

Based on results observed by Simavita at a facility in Victoria, Australia in 2012 and updated in February 2014.

Resident benefits from habit training

SITUATION

A male resident (Mr. X) is 70 years of age and lives in an Aged Care Facility in Melbourne, Australia. His general condition has changed since he was placed in the care facility and he now requires full assistance with his Activities Daily of Living (ADL's).

Mr. X has frequent behaviour issues (he is often agitated and verbalises) in the early morning and late afternoon. Staff assume it is part of his dementia and ignore this behaviour. This situation has led to staff being reluctant to toilet Mr. X during these behaviour episodes.

SIM™ INSIGHTS

The SIM™ assessment in Figure 12 below shows Mr. X's bladder patterns and voided volumes; regular toileting prescribed was 12 times over 3 days, but the carer actually did more than 17 toileting times, with 13 unsuccessful toileting events. The total voids in pads: 1,317 ml over the 3 day period, as depicted in the figure below. SIM™ assessment also documented that behaviours occurred just prior to a voiding event into the sensor.

Figure 12: SIM™ assessment

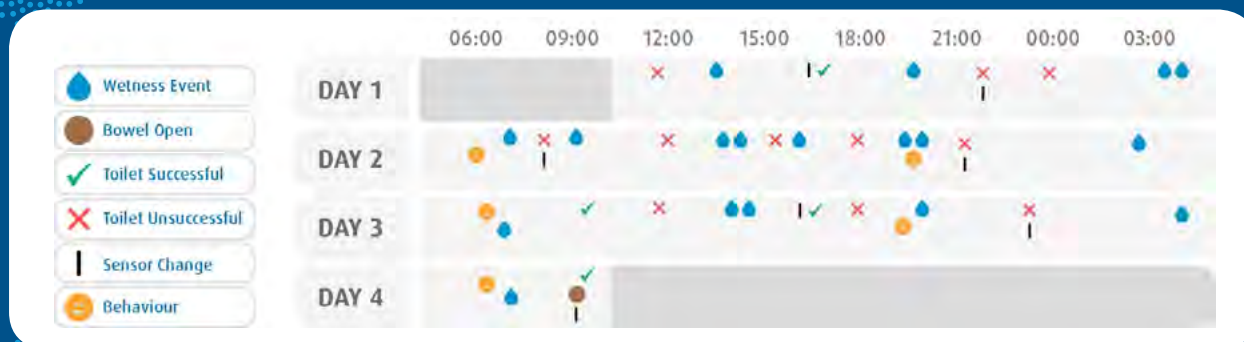


Figure 13: SIM™ training program



OUTCOME

Mr. X benefited from a habit training program that resulted in more successful toileting with less toileting times per day (4 times per day, as depicted in Figure 13 below):

Mr. X was continent during the day. Urinary voids into the pad were reduced by 90% enabling a smaller pad capacity to be used during the day. His behaviour was also resolved which was linked more to incontinence episodes rather than his level of cognitive impairment.

TESTIMONIALS

"The wellbeing of our residents has improved in many areas of care since we introduced SIM™. This includes effective toileting times, correct pad allocation (in most cases reducing cost), and reduced anxiety for residents around continence management can all be attributed to the introduction of SIM™ over the past 12 months".

Ms. Fiona Kelman, Facility Manager - Twilight, Horton House

"SIM™ is less time consuming compared to the old manual continence assessment practice. The system provides supporting documentation to assist in generating extra funding or ACFI uplift, especially for residents who are difficult to diagnose as being incontinent or in denial of being incontinent. We have never looked back".

Ms. Dianne Licastro, ACFI Coordinator - Arcare Greenhill

New product roadmap and strategy

APPLICATION FOCUS

Simavita's technology is aimed at maximising the independence of individuals, supported by two paths:

Assessment/Care Planning

Accurately assessing a condition (in the case of SIM™ it is incontinence), and following through with integrated care planning to deliver person-centred care.

Continuous Monitoring

In future, the Company could potentially leverage its existing technology to develop intelligent active alert technology for every day, continuous monitoring and management.

Maximising independence is a key objective for all stakeholders, including the individual in question, their loved ones and caregivers, insurance groups and governments. Maximising independence minimises the economic burden on society and promotes dignity and wellness for the individual. The term Activities of Daily Living (ADLs) is recognised by governments and health organisations and is used to refer to those daily self-care activities that an individual should be able to perform to live independently. The ability or inability to perform ADLs is used as a measurement of the functional status of an individual; toileting hygiene, or the ability to manage the act of urinating and defecating, is a basic ADL.

EXISTING PRODUCTS

SIM™: Smart Incontinence Management system, used in institutional settings, including Nursing Homes

SIM™ is a combination of sensor, algorithm and software technologies that addresses the assessment and management of functional issues associated with a lack of control of bladder and/or bowel (i.e. the toilet hygiene ADL) and can be applied to any individual where such a functional issue exists, whether at home or in an institutional setting (e.g. nursing home, assisted living or hospital). SIM™ is commercially available for institutional settings in Australia and the US, with plans to enter markets in Canada, Europe and Japan.



NEW PRODUCTS, EXPLOITING SIM™ TECHNOLOGY

The SIM™ technology currently used in residential aged care facilities is a first to market instrumented incontinence assessment solution and is covered by a broad patent and know-how portfolio. Simavita is in a strong position to potentially exploit a raft of new product applications in new markets associated with the global aging challenge and with incontinence more broadly, all of which leverage the Company's existing SIM™ technology.

Potential new products scheduled for development in the next 12 months to 36 months may include:

- ▶ SIM™ assessment technology for the elderly in community care or in the home;
- ▶ Everyday SIM™ in residential aged care facilities in Australia, United States, Canada, the EU and Japan;
- ▶ Everyday SIM™ for in the home or community settings; and
- ▶ Retail Everyday Sensor.

These new markets are substantial and, if suitable products could be developed, may offer both mainstream and niche segments for SIM™ applications.

The key features of the SIM™ technology are also now Wi-Fi enabled and the possibility exists for the software to be integrated into other data management technologies such as electronic medical records ("EMRs").

POTENTIAL FUTURE AREAS OF FOCUS OUTSIDE OF CORE TECHNOLOGY

Diagnostics

The Company anticipates that trends in the size, functionality and cost of sensors could enable it to collaborate with development partners to embed diagnostic capabilities in SIM™ disposable products, effectively leveraging the SIM™ brand and footprint in aged care.

An example of this diagnostic capability could include hydration. Scientists warn that the ability to be aware of and respond to thirst is slowly blunted as we age. As a result, older people do not feel thirst as readily as younger people, increasing the likelihood of them consuming less water and consequently suffering dehydration. If dehydration is not identified and treated, the potential consequences to health are significant, including reduced or even loss of consciousness (with associated likelihood of a falls risk), rapid but weak pulse, and lowered blood pressure. If rehydration is not started, the situation can become life-threatening.

Smart Falls Management

Falls in older adults can result in serious injury, including death, and is a significant economic cost to health systems. For example, in 2012, the direct medical cost of older adult falls in the US was USD30 billion; with the population aging, both the number of falls and the costs incurred to treat fall injuries are likely to increase (<http://www.cdc.gov/homeandrecreationsafety/falls/fallcost.html>).

Although there are plenty of Falls Alert products in the market that provide an alarm when an individual has a fall, Simavita's interest is in the area of assessment and care planning to maximise independent living. Smart Falls Management could potentially integrate existing third-party sensor technology and associated algorithms into the Simavita products to assess an individual's stability while undertaking their daily activities and follow through with integrated care planning to mitigate the risk of falling.

BUSINESS STRATEGY TO DEVELOP ADDITIONAL PRODUCT APPLICATIONS

The Company's business strategy includes the possible strategic development of additional product applications through joint development agreements with relevant partners. This could result in two potential revenue streams:

- ▶ license and product development fees (from the joint development activities); and
- ▶ royalties from sale of products by the joint development partner.

Each potential new SIM™ application has a possible fit in market segments containing multinational, often dominant, corporations. These corporations have expertise and core products in categories that are large, well penetrated and mature. They are often looking to add value for their customers, protect and defend their market shares and minimise margin decline. They are all seeking to differentiate their brands and expand their categories.

In this case, Simavita could provide product development expertise, patents, trade secrets and know-how and may take the lead in some cases in the development of the product application. The joint development partner could potentially provide Simavita with an up-front license payment/royalty advance as well as a contribution, financially and technically, to product development. In such cases, the partners would also most likely take on responsibility for market research, commercialisation plans, sales and distribution.

RESEARCH STUDIES SUPPORTING PRODUCT BENEFITS

The foundational clinical study conducted on the SIM™ technology's predecessor, AEGIS, was undertaken in 2005 as part of the Australian Government's Department of Health and Ageing's Clinical IT in Aged Care Project. The aim of this project was to test the ability of the predecessor technology to provide an accurate pattern of urinary voiding in order to tailor a care plan for individuals.

The outcome of the project was significantly positive for the resident, carers and staff and was the basis for the commercialisation of SIM™. Key outcomes included:

- ▶ fewer unnecessary attendances;
- ▶ fewer instances of attendance to residents with soaked pads;
- ▶ improvement in labour efficiency around incontinence management; and
- ▶ improved quality of life and health outcomes for residents (as perceived by staff), including reductions in skin issues and better toileting plans.

Two clinical research projects were conducted in 2011 in association with the University of Wollongong in New South Wales, Australia. The first study was a review and evaluation of current incontinence assessment practices in residential aged care facilities in Australia. The second was a study of the effectiveness of SIM™ in providing a predictive toileting schedule that would improve incontinence care outcomes, benchmarked against existing practice. Both research projects have been completed and papers written, including a peer-reviewed publication. Key outcomes of the research included:

Study 1 – Survey of current practice

- ▶ current incontinence assessment process and information collection is inconsistent and unreliable;
- ▶ effective incontinence care plan preparation from assessments conducted was virtually impossible; and
- ▶ resulting care is based on a “one size fits all” toileting approach – known as “toilet rounds” – but this is rarely practiced due to staffing constraints.

Study 2 – SIM™ based care improvements

- ▶ it was found that existing care plans resulting from the manual incontinence assessment approach were not adhered to in practice; and
- ▶ while not directly investigated in this research project, the likely reason implied from Study 1 is that there is little belief in the effectiveness of care plans resulting from inaccurate manual assessments.

With SIM™ based care planning, based on accurate Bladder Charts and incontinence records, there was a statistically significant increase in care plan adherence and more effective toileting, indicating that staff were confident in the value of the recommendation. The resulting incontinence outcomes were increased successful toileting events and reduced urine output in incontinence products.

Product registration, marketing approvals and standards

AUSTRALIA

SIM™ is a registered Class I device (Registration: ARTG ID 140328) with the Australian Therapeutic Goods Administration (“TGA”).

UNITED STATES

SIM™ is a Class II medical device in the United States. The Company filed a 510(k) submission for SIM™ and was cleared by the US Food and Drug Administration (“FDA”), with an exemption finding, on August 22, 2013.

The FDA has advised that the Company can market SIM™ in accordance with its intended use, as indicated for use by healthcare professionals to remotely monitor wetness events, and collect, transmit and report wetness events and other medical information from multiple patients within a clinical setting (i.e., hospitals, skilled nursing facilities, residential care facilities) to establish effective management care plans for incontinence events.

EUROPEAN UNION

SIM™ is a Class 1 medical device in the EU. SIM™ is CE marked for launch within the European Union.

QUALITY MANAGEMENT SYSTEMS

The Company is accredited to ISO 9001:2008 Quality Management Standard (since June 2010). The Company is also accredited to ISO 13485:2003 Medical Device - Quality Management Systems – Requirements for Regulatory Purposes (since April 2013).



Intellectual property

INTRODUCTION

Simavita relies on patents, trademarks, know-how and trade secrets, in combination with non-disclosure, confidentiality and non-compete agreements to establish, promote and protect the intellectual property rights surrounding its technology and business.

Simavita's technology has been in development for a number of years and is protected by a substantial portfolio of intellectual property, including 10 filed patent families and an exclusive licence to two CSIRO patent families. Details of these patent families are set out on the following pages.

Simavita has followed a strategy of filing international patent applications under the Patent Cooperation Treaty 1978 (PCT) administered under the World Intellectual Property Organization. The benefit of the PCT is that it facilitates the filing of a patent application in a number of countries simultaneously, although it is important to note that a PCT patent application will need to be "nationalised" in countries where patent protection is required.

A further point of particular value in the Simavita intellectual property position is the considerable amount of know-how that has been developed by the research and development team and generated from putting the technology into practice in the market. While much of this information is captured in patent applications, there is also a substantial amount of know-how and trade secrets.

Simavita expects to continue to invest in the expansion of its intellectual property portfolio and in further building and strengthening that portfolio, including its know-how and trade secrets.

Simavita has recently recruited an in-house patent manager which should improve the management of the Company's intellectual property portfolio and lead to the reduction of external patent attorney fees.



INTELLECTUAL PROPERTY continued

PATENT DETAILS

The Company's patent portfolio has been summarised below:

Patent family 1a – Incontinence management system and diaper

Granted patent	Application no. / National Phase	Status	Description
Australia (expires on 28 October 2025) US (expires on 2 August 2029)	United States (13/158,136)	In progress	Whereas the Generation 1 patent (which expired on 27 May 2014) was directed to remote detection of incontinence, these Generation 2 families (1a and 1b) are directed toward systems for diagnosis and treatment of incontinence.

Patent family 1b – Moisture monitoring system

Granted patent	Application no. / National Phase	Status	Description
Japan (expires on 2 May 2027) China (expires on 2 May 2027)	Europe (07718814.2) India (4591/ KOLNP/2008) Canada (2,685,889)	In progress in Europe, India and Canada	The main independent claim pursued in this Family 1b application is as set out below. A moisture monitoring system for monitoring wetness in one or more absorbent articles, the system including: (1) An input for receiving one or more sensor signals indicative of a presence of wetness in an absorbent article; (2) A processor for processing the one or more sensor signals and for performing an analysis of the signals to characterize wetness events occurring in an absorbent article; and (3) User interface for communicating with a user of the system.

Patent family 2 – Improvements in incontinence monitoring and assessment

Granted patent	Application no. / National Phase	Status	Description
None yet granted	Australia (2010314813) New Zealand (599423) Canada (2,776,785) Europe (10827718.7) Japan (2012. 537266) United States 13/508,071	In progress	This invention covers technical improvements to the SIM system. Claims are directed to a system for monitoring incontinence using a processor, display device, remote transmitter units transmitting signals containing continence-related data to the processor via a receiver. A visual representation of the continence related information in an absorbent article worn by the subject being monitored is provided on the display.

Patent family 3 – A system for managing patient assessment (ACFI calculator)

Granted patent	Application no. / National Phase	Status	Description
None yet granted	United States (13/115,490) Australia (2011202419)	In progress	This invention relates to the system and computer program for analysing patient data by allocating a value to a patient based on patient assessment data, comparing the allocated value with a limit value and identifying patients who are candidates for further assessment according to proximity of patient value to a limit of a predetermined value range.

Patent family 4 – Apparatus and method for analysing events from sensor data by optimisation

Granted patent	Application no. / National Phase	Status	Description
None yet granted	Australia (2011267839) Canada (2,802,503) Europe (11794955.2) United States (13/704,153) New Zealand (603953)	In progress	This invention claims mathematical methodology for analysing wetness events based on sensor data. The method includes a learning phase to determine a relationship between sensor signal data and characteristics of the incontinence events, such as void volume.

Patent family 5 – A capacitive wetness sensor and method for manufacturing the same

Granted patent	Application no. / National Phase	Status	Description
None yet granted	Australia (2012289823) United States (14/236,255) Europe (128202030.6)	In progress	This invention relates to sensing wetness events such as urinary and faecal events as occur from time to time in a pad or diaper or similar absorbent article worn by a subject. Also relates to a system for coupling such sensors to a receiver and to methods for manufacturing sensors and/or absorbent articles incorporating sensors.

Patent family 6 – Improvements relating to event detection algorithms (moving window)

Granted patent	Application no. / National Phase	Status	Description
None yet granted	Australia (2012278931) United States (14/130,833) Europe (12808152.8) Canada (2,839,943)	In progress	This invention relates to processing sensor signals from wetness sensors that may be employed to detect wetness in incontinence pad, nappies, would dressings and the like. Relates to algorithms for processing sensor using a moving window.

Patent family 7 – Methods and systems for scheduling procedures such as toileting

Granted patent	Application no. / National Phase	Status	Description
None yet granted	PCT/AU2014/000768	In progress	This inventions relates to a method for determining points in time for taking an action, such as toileting a patient, e.g. for use in care planning.

Patent family 8 – A system for detecting the presence of moisture

Granted patent	Application no. / National Phase	Status	Description
Germany (No. 69928949.1) (expires 10 Sept. 2019) France (No. 1114313) (expires 10 Sept. 2019) United Kingdom (No. 1114313) (expires 10 Sept. 2019) United States (No. 6,832,507) (expires 10 Sept. 2019)	N/A	N/A	The invention comprises at least one reading device for obtaining information from the sensor about the presence of moisture.

Patent family 9 – A moisture detecting module and a receiving unit

Granted patent	Application no. / National Phase	Status	Description
Netherlands (No. 2003163) (expires 9 July 2029)	Australia (2010269226) Canada (2,767,525) China (201080040041.3)	In progress	The invention aims at providing a moisture detecting module that indicates the need for a napkin replacement more reliably. The moisture detecting module also comprises a moisture non-permeable layer covering the sensor, the moisture non-permeable layer being arranged for attachment to a napkin surface that, during use of the napkin, is facing towards the person's skin such that the moisture sensitive sensor contacts the napkin surface.

Patent family 10 – A moisture sensing module and a napkin

Granted patent	Application no. / National Phase	Status	Description
Netherlands (NL2010569)	Filed 4 April 2013	In progress	

CSIRO in-licensed family 1 – Moisture monitor system for diapers and alike

Granted patent	Application no. / National Phase	Status	Description
Australia (expires on 31 January 2027)	Europe (07701419.9) Japan (JP2009252080) United States (12/278,058)	In progress	The invention relates to a moisture monitoring system that can be used to monitor wetting of garments, diapers, nappies, incontinence pads and alike sanitary products.

CSIRO in-licensed family 2 – Flexible electronic device

Granted patent	Application no. / National Phase	Status	Description
Australia (No. 2006218256) (expires on 28 February 2026) United States (No. 11/816,795) (expires on 28 February 2026)	China (200680006339.6) Europe (06704928.9) Japan (JP2008531137) Eurasian Patent (201290019) EU Patent App. (10734361.8) India (10734361.8) Japan (2012-519491) United States (13/382,830)	In progress	This invention is directed toward an electronic device that may comprise a flexible display, a flexible circuit substrate and a power source.

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Management Discussion and Analysis (Form 51-102F1)

for the year ended June 30, 2014

The following Management Discussion and Analysis (“MD&A”) of the results and financial position of the Company for the year ended June 30, 2014 should be read in conjunction with the information provided in the Company’s consolidated financial statements for the same period (“Financial Statements”) and the material contained herein.

Unless otherwise noted, all currency amounts contained in this MD&A and in the Financial Statements are stated in Australian dollars. The information presented in the Financial Statements is prepared in accordance with International Financial Reporting Standards (“IFRS”).

DATE

This MD&A is dated **August 28, 2014**.

OVERALL PERFORMANCE

Acquisition of Simavita Holdings

On July 29, 2013, the Company announced that it had executed a Scheme Merger Agreement (“Agreement”) with Sydney-based company Simavita Holdings Limited (“Simavita Holdings”). Pursuant to the Agreement, an annual and special meeting of the Company’s shareholders (the “Meeting”) was held on November 20, 2013 to approve the issue of new shares by the Company to the Simavita Holdings shareholders to acquire 100% of the issued capital of Simavita Holdings (the “Merger”). The Merger was subsequently implemented by way of a scheme of arrangement under the Australian Corporations Act.

At the Meeting held on November 20, 2013, a number of resolutions were passed by the Company’s shareholders pursuant to which:

1. The Company undertook a consolidation of its share capital on the basis of one post-consolidation common share for every three pre-consolidation common shares such that the number of common shares on issue was reduced from 5,168,167 to 1,722,722.
2. The Company changed its business as a result of it issuing a total of 56,053,772 post-consolidation common shares to the shareholders of Simavita Holdings, following which Simavita Holdings became a wholly-owned subsidiary of the Company. The transaction was accounted for as an asset acquisition.
3. The Company changed its name from Gtech International Resources Limited to Simavita Limited.
4. The Company continued into British Columbia, Canada under the Business Corporations Act (British Columbia) (“BCBCA”) and adopted constating documents that comply with the BCBCA.
5. The Company adopted certain changes to its Stock Option Plan and subsequently issued options and warrants.
6. Dr. Malcolm R. Brandon and Alison J. Mew were not re-elected as Directors of the Company.
7. Maxwell C. Lloyd-Jones, Philippa M. Lewis, Ari B. Bergman, Peter C. Cook and Damien M. Haakman were appointed as Directors of the Company, with Mr. Lloyd-Jones being appointed as Chairman and Ms. Lewis being appointed as CEO. Thomas G. Howitt was re-elected as a Director of the Company and continued in his role as Secretary.
8. The Company resumed trading on the TSX Venture Exchange (“TSX-V”) under the symbol “SV”.

OVERALL PERFORMANCE CONTINUED

Acquisition of Simavita Holdings CONTINUED

Subsequent to the Company's resumption of trading on the TSX-V, the following events occurred:

1. On January 31, 2014, the Company granted a total of 6,876,664 stock options to certain Directors under its Stock Option Plan. Each option vested immediately and is exercisable at any time up to, and including, December 3, 2016. The exercise prices of the options that were granted are as follows: 1,469,166 options have an exercise price of \$0.41 each; 2,469,166 options have an exercise price of \$0.52 each; 1,469,166 options have an exercise price of \$0.65 each; and 1,469,166 options have an exercise price of \$0.82 each.
2. Also on January 31, 2014, the Company issued a total of 634,835 common share purchase warrants (the "Broker Warrants") to a party associated with Lodge Corporate Pty. Ltd. and 519,410 Broker Warrants to Integrated Equity Pty. Ltd., all of which are exercisable at a price of \$0.41 each up until December 3, 2016. These Broker Warrants were issued in connection with: (a) the completion of the prospectus offering by Simavita Holdings (the company that was acquired by the Company) pursuant to which a total of \$13,899,963 was raised; and (b) the completion of the prospectus offering by Simavita Limited pursuant to which a total of \$405,965 was raised.
3. The Company also issued on January 31, 2014 a total of 1,155,298 non-transferable common share purchase warrants (the "Medline Warrants") to Medline Industries, Inc. ("Medline") in connection with a US exclusive distribution agreement between Simavita Holdings and Medline dated October 10, 2012. The first tranche of 1,155,298 Medline Warrants, which vested immediately, had an exercise price of CAD\$0.42 per share. The Company also agreed to grant two further tranches of options to Medline. A second tranche comprises 1,444,412 Medline Warrants which will be granted, subject to the satisfaction of certain performance requirements, on January 1, 2015. These Medline Warrants will have an exercise price of the greater of CAD\$0.504 per share or the 30-day volume weighted average price ("VWAP"). A third tranche comprises 1,444,412 Medline Warrants which will be granted, subject to the satisfaction of certain performance requirements, on January 1, 2016. These Medline Warrants will have an exercise price of the greater of CAD\$0.604 per share or the 30-day VWAP.
4. On January 31, 2014, Maxwell Lloyd-Jones resigned as Chairman and a Director of the Company. In his place, Peter Cook was appointed as the Company's new Chairman. As previously announced, Mr. Cook was elected to the Board of the Company at the Meeting held on November 20, 2013.
5. On February 11, 2014, the Company received conditional approval from the Australian Securities Exchange ("ASX") for quotation of its CHESS Depositary Instruments ("CDIs") on the Official List of the ASX. The Company received final approval from ASX for admission to the Official List on February 18, 2014, with trading of its CDIs commencing under the code "SVA" at 10:30 am (Sydney time) on February 20, 2014.
6. On February 19, 2014, the Company issued a total of 990,159 common shares at an issue price of \$0.41 per share which raised a total of \$405,965, before the payment of associated costs.
7. On February 28, 2014, the Company announced that Thomas Howitt had resigned as a Director of the Company (effective as from April 14, 2014) and that he would take up the executive position of Chief Financial Officer. Mr. Howitt continued in his role as Secretary.

Previous activities

Previously, the Company was a junior resource company engaged in the acquisition and exploration of mineral properties in British Columbia and the Yukon Territory. The Company still retains a 1.5% net smelter royalty on the Aurex Property which Stratagold Corporation may purchase at any time for CAD\$1,000,000. The Company also owned 69 mineral claims, which it sold on January 16, 2002 to ATAC Resources Limited ("ATAC"). The Company agreed to accept 200,000 common shares in ATAC and a cash payment of \$5,000 in final settlement for the transfer of the project. These shares were then subsequently sold by the Company during the fiscal year ended April 30, 2004. The Company retains a 1.5% net smelter royalty which ATAC may purchase from the Company for CAD\$600,000.

OVERALL PERFORMANCE CONTINUED

Group overview

The Simavita Group of companies (the “Group”) has developed an innovative world-first solution for the management of urinary incontinence, with a focus on the elderly. The Group’s first product is the SIM™ platform technology which is an instrumented incontinence assessment application that provides evidence-based incontinence management care plans to the residential aged care market.

The original concept for the Company’s SIM™ technology was developed by an Australian medical doctor, the late Dr. Fred Bergman, while working with residential aged care facilities in Melbourne, Australia. Dr. Bergman’s observations of the inadequacy of existing incontinence management practices led him to file his first patent application in 1996 for the development of a technology to effectively assess and manage urinary incontinence.

By 2004, the technology had reached a point where it was appropriate for field testing and the Group applied for, and was awarded, a grant from the Australian Government to conduct the first field trial. Preliminary findings confirmed significant efficiencies and improvements in quality of care as a result of the use of the early stage SIM™ technology.

From 2008, and under the leadership of the current CEO, Philippa Lewis, SIM™ has been refined over a number of product generations and is now in its fourth generation. The current SIM™ technology has evolved from many years of development, customer interface, extensive long-term field trials and the expenditure of significant funds from both private investors and the Australian Government.

With the maturing of the SIM™ technology, including significant cost reductions delivered with each successive generation, the Group’s business has evolved through different commercialisation models, all historically servicing the Australian market. Sales of SIM™ in Australia are increasing and, during the 2014 calendar year, the Company expanded its operations internationally, initially into the United States, via an exclusive agreement with a large US-based distribution partner. The Company also has plans to expand its sales activities into Canada, Europe and Japan and into different markets and sectors, with products leveraging off its underlying core technology.

Results from operations

The Simavita Group received clearance from the US Food and Drug Administration in August 2013, enabling it to market its urinary incontinence assessment and management product, SIM™, in the US market. The Company has subsequently carried out successful trials of the product at a number of sites in the US and distribution of the product has now commenced in collaboration with the Company’s exclusive US distribution partner, Medline Industries, Inc.

During the year ended June 30, 2014, the Company successfully completed the development of its fourth generation platform, including regulatory testing, and released it for live site trials. This latest version eliminates costly bespoke network infrastructure and embraces a rapid deployment approach leveraging WiFi technology. Based on the positive results of the live trials, the Company rolled out its fourth generation SIM™ technology to its existing customers in Australian market and to new customers globally. Completion of this rollout to existing customers occurred shortly after the end of the 2014 financial year.

The Group reported a net consolidated loss after tax for the year ended June 30, 2014 of \$10,491,790. This loss represented an increase of \$3,105,979, or 42%, over the net loss for the previous corresponding period. The loss for the current period, however, included significant one-off expenses including a non-cash, share-based payments expense in respect of warrants and options granted as part of the Company’s recent listing (\$1,302,333), transaction expenses associated with the Company’s acquisition by Gtech International Resources Limited and subsequent dual stock exchange listings (\$1,221,125) and a non-cash loss arising on acquisition of \$792,397. After deducting these three amounts, the adjusted loss for the year ended June 30, 2014 would have fallen to \$7,175,935, or \$209,876 (approximately 3%), less than the loss for previous corresponding period.

Revenues generated by the Group from the sale of its SIM™ solution increased by \$33,605, or 11%, during the year ended June 30, 2014 from \$316,290 in 2013 to \$349,895 in 2014. This rate of sales growth, however, was reduced due to a focus by the Company on the completion of its Generation 4 SIM™ product for launch in the US market rather than securing further sales of earlier Generation 3 products in Australia.

OVERALL PERFORMANCE CONTINUED

Results from operations CONTINUED

In addition, as existing customers transitioned from the earlier Generation 3 product to the more advanced Generation 4 product, the number of incontinence assessments performed fell resulting in a temporary decline in both sales and revenue. With the rollout of the Generation 4 product now complete and the addition of new customers in both the US and Australian marketplaces, the rate of sales growth has already increased and is anticipated to increase further in the 2015 financial year.

The Company's cost of sales decreased markedly during the 2014 year by \$109,483, or 53%, from the previous year. The transition by existing customers to the Company's new Generation 4 product was accompanied by a revenue model more heavily focussed on the sale of consumable products which is less impacted by the sale of the more expensive hardware associated with the now-superseded Generation 3 product. It is envisaged that additional product developments now underway will result in further reductions in costs, delivering benefits for the Company and its customers alike.

The Company's total employee benefits expense for year ended June 30, 2014 was \$4,545,658, representing a modest increase of \$134,445, or only 3%, over the figure for the previous year of \$4,411,213. In the consolidated statement of comprehensive loss, the total employee benefits expense is allocated across the respective functions of general and administration, research and development and sales, marketing and distribution.

Finance costs incurred by the Company fell by a significant \$729,766, or 69%, during the year under review, from \$1,050,369 in 2013 to only \$320,603 in 2014. This fall arose as a result of the extinguishment during the year of outstanding interest-bearing liabilities via the conversion of certain debt instruments into equity and the repayment in cash of other loans from the proceeds of the Company's various capital raisings. It is anticipated that, in the coming year, finance costs will be nominal following the complete repayment by the Company of all interest-bearing liabilities by June 30, 2014.

General and administration expenses incurred by the Company increased during the year by \$573,548, or 15%, from \$3,898,541 in 2013 to \$4,472,089 in 2014. This increase is primarily due to additional expenses incurred in relation to the scrapping of obsolete inventories as a result of the transition from the Generation 3 to the Generation 4 product (\$202,186) and management and consulting fees associated indirectly with the acquisition of Simavita Holdings. The Company also incurred expenses associated with the recruitment of employees in anticipation of future growth.

Occupancy costs incurred by the Group during the year ended June 30, 2014 of \$331,437 were in line with those incurred during the previous year. During the 2014 financial year, the Company entered into leases in respect of new premises in Sydney, New South Wales and Melbourne, Victoria. Notwithstanding this, the Group's total occupancy costs for the 2015 financial year are not expected to increase significantly from those incurred in 2014.

As part of the acquisition of Simavita Holdings Limited by the Company in late 2013, a loss of \$792,397 was incurred by the consolidated Group. In essence, this loss represented the market value of the 1,722,722 common shares held by the Company's shareholders immediately prior to the date of acquisition (December 3, 2013) plus the value of the Company's net liabilities (\$86,081) on the date of acquisition.

Research and development expenses incurred by the Company during the year increased by \$305,388, or 18%, from \$1,715,843 in 2013 to \$2,021,231 in 2014. This increase in expenditure related to costs incurred in the successful development of the Company's Generation 4 SIM™ solution and other related activities aimed at developing further refinements of existing products and the development of new applications based around the Company's proprietary core technology, all of which will deliver additional products for sale.

Sales, marketing and distribution expenses incurred by the Company during the year increased by \$82,601, or 5%, from \$1,633,163 in 2013 to \$1,715,764 in 2014. This modest increase was attributable to the launch of the Company's product in the US marketplace in collaboration with its exclusive distribution partner, Medline Industries Inc., and to engage with and assist existing customers during the transition from the Generation 3 to the Generation 4 product. It is expected that as the Company strives to increase its sales in the US, and potentially European, markets during the 2015 financial year, additional sales, marketing and distribution expenses will be incurred.

During the 2014 financial year, a significant non-cash share-based payment expense of \$1,302,333 was incurred in respect of 2,309,543 warrants and 6,876,664 options granted as part of the Company's listing, as described on page 30.

OVERALL PERFORMANCE CONTINUED

Results from operations CONTINUED

As part of the acquisition of Simavita Holdings Limited by the Company in late 2013, total transaction expenses of \$1,221,125 were incurred. A nominal amount of \$64,651 in similar expenses was also incurred during the 2013 financial year in respect of the same transaction. These expenses included legal fees, consulting fees, regulatory costs, expert's fees and travel expenses all associated with the acquisition of Simavita Holdings by the Company.

The Company's income tax benefit increased by an estimated \$176,439, or 17%, from \$1,037,916 in 2013 to \$1,214,355 in 2014. This benefit relates to a research and development tax incentive payment which is reflected in the Company's receivables as at June 30, 2014. The Company anticipates that the incentive payment will be received prior to the end of the 2014 calendar year.

As at June 30, 2014, the Company's total cash and cash equivalents were \$6,844,197, as compared to an amount of \$737,978 as at the previous corresponding balance date. This increase arose from net cash flows from financing activities, largely attributable to funds raised from equity raisings (\$14,357,674), offset by net cash used in operating activities of \$8,287,600.

SELECTED FINANCIAL DATA

The following selected financial data covers the three financial years ended June 30, 2014. The data has been prepared in accordance with IFRS and is reported in Australian dollars.

Year ended	Total revenues \$	Net profit/(loss) \$	Total assets \$	Total non-current liabilities \$
June 30, 2014	349,895	(10,491,790)	8,789,924	-
June 30, 2013	316,290	(7,385,811)	2,489,457	3,369,678
June 30, 2012	704,973	(6,945,652)	3,446,684	2,945,353

SUMMARY OF QUARTERLY RESULTS

The following is a comparison of revenue and earnings for the previous eight quarters ended June 30, 2014, being the information contained in the first financial statements prepared by the Company since its reverse takeover of Simavita Holdings. Financial information is prepared in accordance with IFRS and is reported in Australian dollars.

Quarter ended	Total revenues \$	Net profit/(loss) \$	Net loss per share \$
June 30, 2014	95,774	(867,099)	(0.03)
March 31, 2014	102,838	(4,406,615)	(0.15)
December 31, 2013	75,957	(2,865,887)	(0.09)
September 30, 2013	75,326	(2,352,189)	(0.07)
Totals - year ended June 30, 2014	349,895	(10,491,790)	(0.34)
June 30, 2013	37,103	(1,153,445)	(0.51)
March 31, 2013	100,211	(2,405,992)	(1.07)
December 31, 2012	72,743	(2,193,494)	(0.98)
September 30, 2012	106,233	(1,632,880)	(0.73)
Totals - year ended June 30, 2013	316,290	(7,385,811)	(3.29)

The significant increase in the net loss for the quarter ended March 31, 2014 arose from the recording of a share-based payments expense of \$1,302,333. The significant reduction in the net loss for the quarter ended June 30, 2014 arose from the recording of a year-end receivable in respect of an income tax benefit relating to a research and development tax incentive amount of \$1,124,355.

LIQUIDITY

The Group incurred total expenses of \$12,176,979 during the year ended June 30, 2014 and net cash outflows from operations during the same period of \$8,287,600, which included a number of significant one-off expenses as detailed above. As at June 30, 2014, the Company had working capital of \$7,216,954. The Company believes it has sufficient funds to meet its current working capital requirements. Details regarding the Company's liquidity position have been provided in Note 30 to the Financial Statements.

TRANSACTIONS WITH RELATED PARTIES

Up until December 3, 2013, the Company was a subsidiary of Genetic Technologies Limited ("GTG"), a company listed on both the Australian Securities Exchange and NASDAQ Capital Market. During the year ended June 30, 2014, there were minor expenses paid by GTG on the Company's behalf that were subsequently reimbursed.

Details of the amounts paid to related parties, including members of Key Management Personnel, during the year ended June 30, 2014, have been provided in Note 23 to the Financial Statements.

Outstanding interest-bearing liabilities that were repaid during the year ended June 30, 2014 had been advanced to the Company to provide it with sufficient working capital to fund its continuing operations until such time as the transaction with the former Gtech International Resources Limited and its accompanying major fundraising could be completed.

CAPITAL RESOURCES

As detailed above, the Company believes that it has sufficient financial resources to pay its ongoing administrative expenses and to meet its liabilities for the ensuing year.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements in place as of June 30, 2014.

CHANGES IN ACCOUNTING POLICIES

During the year ended June 30, 2014, the Company changed some of its accounting policies as the result of new or revised accounting standards which became effective for the annual reporting period commencing on July 1, 2013. The affected policies are IFRS 10 Consolidated Financial Statements, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, IFRS 19 *Employee Benefits and Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)*. The Company has assessed there to be no material impact arising from these changes.

Another new accounting standard that is applicable for the first time for the year ended June 30, 2014 is IFRS 13 *Fair Value Measurement and IFRS (2009-2011 Project Cycle)*. This standard has introduced new disclosures for the report but did not affect the Group's accounting policies or any of the amounts recognized in the Financial Statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company only invests in cash deposits with large banks that are considered to be low risk.

DIRECTORS AND OFFICERS

As detailed under the heading "Overall Performance", there were changes to the Board as a result of the acquisition by the Company of Simavita Holdings. As at the date of this MD&A, the names of the Directors and Officers of the Company are set out below. Details relating to the Directors and Officers of Simavita and the Company's corporate governance practices have been provided in the Statement which follows immediately after the Financial Statements.

- ▶ Peter C. Cook – Chairman and Director
- ▶ Philippa M. Lewis – Director and CEO
- ▶ Ari B. Bergman – Director
- ▶ Damien M. Haakman – Director
- ▶ Thomas G. Howitt – CFO and Secretary

The Company is dependent on a number of key Directors and Officers. Loss of any of those persons could have an adverse affect on the Company. The Company maintains "key-man" insurance in respect of Ms. Lewis as CEO.

OTHER INFORMATION

Additional Disclosure for Venture Issuers without Significant Revenue

Details pertaining to the expenses incurred by the Company during the years ended June 30, 2013 and 2014 are provided above under the heading *Results from Operations*.

Prior to its acquisition of Simavita Holdings, no significant external investor relations activities were carried out by the Company. The Company maintains a website at www.simavita.com, which gives shareholders the opportunity to review published financial reports, news releases, corporate profiles, project details and other information. Other information relating to the Company may be found on SEDAR at www.sedar.com.

OUTSTANDING SHARE DATA

Summary of shares issued and outstanding

	Number of shares	Amount \$
Balance at July 1, 2012	7,945,423	18,764,144
Issue of ordinary shares by Simavita Holdings for cash	18,914	44,570
Equity transaction costs	-	(206,427)
Balance at July 1, 2013	7,964,337	18,602,287
Issue of ordinary shares by Simavita Holdings for cash (pre-acquisition)	20,928,675	2,000,000
Conversion of borrowings into equity (pre-acquisition)	49,589,520	7,885,514
Share consolidation by Simavita Holdings (1 for 3.543)	(56,331,098)	-
Issue of ordinary shares by Simavita Holdings for cash (pre-acquisition)	33,902,338	13,899,963
Elimination of shares in legal acquiree (Simavita Holdings)	(56,053,772)	-
Issue of common shares on acquisition of Simavita Holdings	56,053,772	-
Fair value of common shares held by pre-acquisition shareholders of Gtech	1,722,722	706,316
Issue of common shares by Simavita Limited for cash (post-acquisition)	7,876,832	3,504,968
Equity transaction costs	-	(2,663,096)
Balance at June 30, 2014	65,653,326	43,935,952

Summary of options outstanding

As at June 30, 2014, there was a total of 6,876,664 options over common shares in the Company outstanding. A further 1,237,500 options were granted on August 26, 2014. Refer Notes 19 and 31 of the Financial Statements for details.

Summary of warrants outstanding

As at June 30, 2014, there was a total of 2,309,543 common share purchase warrants in the Company outstanding, as well as commitments to grant further warrants to Medline Industries, Inc. ("Medline") as part of the Company's distribution arrangements with Medline (refer Note 19 of the Financial Statements for details).

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may be deemed “forward-looking statements”. All statements in this release, other than statements of historical fact, that address future acquisitions and events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur.

Forward-looking statements in this document include statements regarding possible future acquisitions (including opportunities in the biotechnology sector), spending plans and possible financing plans. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements.

Factors that could cause actual results to differ materially from those in forward-looking statements include market conditions, availability of capital and financing, general economic, market or business conditions, and availability of possible acquisition opportunities on favourable terms. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made.

Except as required by securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change. These statements are based on a number of assumptions, including assumptions regarding general business and economic conditions, the state of the legal and regulatory environment in which the Company operates, the ability of the Company to satisfy regulatory requirements and the availability of capital and financing for the Company’s operations and contemplated or proposed transactions on satisfactory terms.

BY ORDER OF THE BOARD



PETER C. COOK
Chairman and Director



PHILIPPA M. LEWIS
Director and Chief Executive Officer

Consolidated Statement of Comprehensive Loss

for the year ended June 30, 2014

	Notes	Consolidated	
		June 30, 2014 \$	June 30, 2013 \$
Revenue		349,895	316,290
Cost of sales		(95,453)	(204,936)
Gross profit		254,442	111,354
Other revenue	5	216,392	156,958
Expenses			
Finance costs		(320,603)	(1,050,369)
General and administration		(4,472,089)	(3,898,541)
Occupancy costs		(331,437)	(329,472)
Loss on acquisition	2	(792,397)	-
Research and development		(2,021,231)	(1,715,843)
Sales, marketing and distribution		(1,715,764)	(1,633,163)
Share-based payments expense		(1,302,333)	-
Transaction expenses		(1,221,125)	(64,651)
Loss before income tax		(11,706,145)	(8,423,727)
Income tax benefit	8	1,214,355	1,037,916
Loss for the year		(10,491,790)	(7,385,811)
Other comprehensive income			
Items that may be subsequently reclassified to profit/(loss)			
Translation of foreign operation		(22,783)	(4,045)
Total comprehensive loss for the year		(10,514,573)	(7,389,856)
Basic and diluted loss per common share	7	(0.34)	(3.29)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at June 30, 2014

	Notes	Consolidated	
		June 30, 2014 \$	June 30, 2013 \$
Assets			
Current Assets			
Cash and cash equivalents	10	6,844,197	737,978
Trade and other receivables	11	1,397,009	1,146,806
Inventories	12	313,809	331,873
Other assets	13	50,716	12,312
Total Current Assets		8,605,731	2,228,969
Non-Current Assets			
Property, plant and equipment	14	114,436	183,803
Intangible assets	15	69,757	76,685
Total Non-Current Assets		184,193	260,488
Total Assets		8,789,924	2,489,457
Liabilities and Shareholders' Equity			
Liabilities			
Current Liabilities			
Trade and other payables	16	1,022,823	742,777
Interest-bearing liabilities	17	-	6,777,465
Provisions	18	236,338	190,199
Total Current Liabilities		1,259,161	7,710,441
Non-Current Liabilities			
Interest-bearing liabilities	17	-	3,369,678
Total Non-Current Liabilities		-	3,369,678
Total Liabilities		1,259,161	11,080,119
Shareholders' Equity			
Share capital	19	43,935,952	18,602,287
Reserves	20	2,749,530	1,469,980
Retained losses	21	(39,154,719)	(28,662,929)
Total Shareholders' Equity		7,530,763	(8,590,662)
Total Liabilities and Shareholders' Equity		8,789,924	2,489,457

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended June 30, 2014

	Share capital \$	Reserves \$	Retained losses \$	Totals \$
Balance at July 1, 2012	18,764,144	1,474,025	(21,277,118)	(1,038,949)
Net loss for the year	-	-	(7,385,811)	(7,385,811)
Other comprehensive income, net of tax	-	(4,045)	-	(4,045)
Total comprehensive income for the year	-	(4,045)	(7,385,811)	(7,389,856)
Transactions with owners				
Issue of common shares for cash	44,570	-	-	44,570
Equity transaction costs	(206,427)	-	-	(206,427)
Total transactions with owners	(161,857)	-	-	(161,857)
Balance at June 30, 2013	18,602,287	1,469,980	(28,662,929)	(8,590,662)
Net loss for the year	-	-	(10,491,790)	(10,491,790)
Movement in share-based payments reserve	-	1,302,333	-	1,302,333
Other comprehensive income, net of tax	-	(22,783)	-	(22,783)
Total comprehensive income for the year	-	1,279,550	(10,491,790)	(9,212,240)
Transactions with owners				
Issue of common shares for cash	17,404,931	-	-	17,404,931
Issue of common shares to owners of Simavita Holdings Limited	9,885,514	-	-	9,885,514
Fair value of shares issued on acquisition	706,316	-	-	706,316
Equity transaction costs	(2,663,096)	-	-	(2,663,096)
Total transactions with owners	25,333,665	-	-	25,333,665
Balance at June 30, 2014	43,935,952	2,749,530	(39,154,719)	7,530,763

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended June 30, 2014

	Notes	Consolidated	
		June 30, 2014 \$	June 30, 2013 \$
Cash flows from/(used in) operating activities			
Loss for the year		(10,491,790)	(7,385,811)
Non-cash items			
Depreciation and amortization		139,899	203,567
Accrued interest		-	1,050,369
Loss on acquisition	2	792,397	-
Share-based payments expense		1,302,333	-
Unrealised foreign exchange movements		-	(4,045)
Changes in assets and liabilities			
(Increase)/decrease in receivables		(250,203)	78,890
(Increase)/decrease in inventories		18,064	(7,465)
(Increase)/decrease in other assets		(38,404)	7,297
Increase/(decrease) in payables		280,046	35,468
Increase/(decrease) in provisions		46,139	42,395
Net liabilities acquired	2	(86,081)	-
Net cash flows from/(used in) operating activities		(8,287,600)	(5,979,335)
Cash flows from/(used in) investing activities			
Purchases of plant and equipment		(97,756)	(75,004)
Purchases of intangible assets		(17,042)	(8,578)
Cash received on reverse takeover		162,542	-
Net cash flows from/(used in) investing activities		47,744	(83,582)
Cash flows from/(used in) financing activities			
Proceeds from the issue of shares by the Company		3,504,968	-
Proceeds from the issue of shares by Simavita Holdings Limited		15,899,963	44,570
Equity transaction costs		(2,663,096)	(206,427)
Draw down of borrowings		-	6,178,703
Repayment of borrowings		(2,384,161)	(700,000)
Net cash flows from/(used in) financing activities		14,357,674	5,316,846
Net increase/(decrease) in cash and cash equivalents held		6,117,818	(746,071)
Cash and cash equivalents at the beginning of year		737,978	1,484,049
Net foreign exchange differences on cash and cash equivalents		(11,599)	-
Cash and cash equivalents at the end of year	10	6,844,197	737,978

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended June 30, 2014

1. NATURE AND CONTINUANCE OF OPERATIONS

Simavita Limited (formerly Gtech International Resources Limited, the “Company”) 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.

These consolidated financial statements of the Company as at and for the year ended June 30, 2014 comprise Simavita Limited and its subsidiaries (together referred to as the “Group” and individually as “Group Entities”). Simavita Limited is the ultimate parent entity of the Group.

On December 3, 2013, the Company completed the acquisition of Simavita Holdings Limited (“Simavita Holdings”) (refer Note 27). The Group’s continuing operations focus on the sale and distribution of an expanding range of innovative products derived from its proprietary incontinence assessment and management technology, SIM™, with an initial emphasis on the US marketplace through an existing distribution arrangement. Simavita Holdings is located in Sydney, Australia.

2. QUALIFYING TRANSACTION AND REVERSE TAKEOVER

On December 3, 2013, the Company completed a reverse takeover qualifying transaction (“Reverse Takeover”) in accordance with TSX Venture Exchange Inc. (“TSX-V”) Policy 2.4 whereby the Company acquired all the issued shares of Simavita Holdings Limited on the basis of one share in the Company for one share in Simavita Holdings (refer Note 27 for further details). Under the terms of the Reverse Takeover, the Company issued a total of 56,053,772 common shares as consideration for the acquisition of 100% of the issued and outstanding shares of Simavita Holdings. Immediately prior to the issue of the above shares, as part of the Reverse Takeover, the Company consolidated its share capital on the basis of three old shares for each new share. On December 3, 2013, being the date on which the Reverse Takeover was completed, the fair value of the net liabilities (cash less accounts payable) of the Company was \$86,081.

Legally, the Company is the parent of Simavita Holdings. However, as a result of the above share exchange, control of the Group passed to the former shareholders of Simavita Holdings which, for accounting purposes, is deemed to be the acquirer. For financial reporting purposes, these types of transactions are considered to be capital transactions of the acquirer and are the equivalent to the issuance of shares by Simavita Holdings for the net monetary assets of the Company, accompanied by a recapitalisation. The Reverse Takeover is assessed to be an asset acquisition and not a business combination under IFRS 3 *Business combinations*, as the Company has been deemed not to have been operating a business at that time for accounting purposes. The accounting result is similar to a reverse acquisition but it does not result in the recognition of goodwill. Such transactions fall within the scope of IFRS 2 *Share-based payments*, which requires the shares issued by Simavita Holdings (the consideration) to be recognized at fair value.

The following accounting principles have been employed:

- (a) the assets and liabilities of Simavita Holdings were recognized and measured at their pre-acquisition carrying amounts;
- (b) the identifiable assets and liabilities of the Company are recognized at fair value at the acquisition date;
- (c) the retained losses and other equity balances are the retained losses and other equity balances of Simavita Holdings immediately prior to the share exchange transaction;
- (d) the amount recognized as issued equity instruments in the consolidated financial statements is determined by adding the fair value of the Company (which is based on the number of equity interests deemed to have been issued by Simavita Holdings) to the issued equity of Simavita Holdings immediately before the acquisition. However, the equity structure (that is, the number and type of equity instruments issued) shown in the consolidated financial statements reflects the Company’s equity structure, including the equity instruments issued by the Company to effect the combination. The equity structure of Simavita Holdings (accounting acquirer) is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares issued by the Company (the accounting acquiree) in the reverse acquisition;
- (e) the difference in the fair value of the shares deemed to have been issued by the Simavita Holdings and the fair value of the Company’s identifiable net assets/(liabilities) represents a service received by Simavita Holdings as a loss on acquisition. This loss of \$792,397 has been recognized as an expense in the statement of comprehensive income; and
- (f) the financial statements represent the continuation of Simavita Holdings’ financial information and therefore the comparative information presented in these financial statements, covering the year ended June 30, 2013, is that of Simavita Holdings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The preparation of these consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

During the financial year ended June 30, 2014, the Group incurred a total comprehensive loss after income tax of \$10,514,573 (2013: \$7,389,856) and net cash outflows from operations of \$8,287,600 (2013: \$5,979,335). As at June 30, 2014, the Group held total cash and cash equivalents of \$6,844,197.

Subsequent to balance date, the Group raised a total of \$3,633,487, prior to the payment of associated costs, from the completion of private placement (generating \$2,925,997) and share purchase plan (generating \$707,490). As at July 31, 2014, the Group held total cash and cash equivalents of \$9,210,651.

During the 2015 financial year, the Company plans to increase sales of its SIM™ solution through both direct sales in the Australian market and sales made via the distribution agreement with Medline in the US market. There is uncertainty around both the timing of these sales and the rate of growth in both the Australian and US markets and, therefore, uncertainty around the ability of the Company to continue as a going concern. As a result of this uncertainty, the Directors have considered alternative strategies which may be available to the Company, if required, including sales in other markets, such as Europe, and the possible raising of additional equity capital.

The Directors believe that the Company will be successful in these matters and, accordingly, the consolidated financial statements contained in this Financial Report have been prepared on a going concern basis.

(b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and the entities it controlled, being Simavita Holdings Limited, Simavita (Aust.) Pty. Ltd., Simavita US, Inc. and Fred Bergman Healthcare Pty. Ltd. A Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. These consolidated financial statements are prepared using the principles of reverse takeover accounting as described in Note 2. Intracompany balances and transactions, including any unrealised income and expenses arising from any intracompany transactions, are eliminated in preparing the consolidated financial statements. The functional and presentation currency of the Company and its subsidiaries is the Australian dollar.

(c) Changes in accounting policies

During the year ended June 30, 2014, the Company changed some of its accounting policies as the result of new or revised accounting standards which became effective for the annual reporting period commencing on July 1, 2013. The affected policies are IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, IFRS 19 *Employee Benefits and Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)*. The Company has assessed there to be no material impact arising from these changes.

Another new standard that is applicable for the first time for the year ended June 30, 2014 is IFRS 13 *Fair Value Measurement and IFRS (2009-2011 Project Cycle)*. This standard has introduced new disclosures for the report but did not affect the Group’s accounting policies or any of the amounts recognized in the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(d) Impact of standards issued but not yet applied by the entity

► *IFRS 9 Financial Instruments* (December 2013)

IFRS 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until January 1, 2018 but is available for early adoption. The standard is not expected to have an impact on the Group's accounting for financial instruments.

The new hedging rules align hedge accounting more closely with the Group's risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation. The Group has not yet decided when to adopt IFRS 9.

► *Annual Improvements to IFRSs 2010-2012 and 2011-2013 cycle* (effective July 1, 2014)

In December 2013, the IASB approved a number of amendments to International Financial Reporting Standards as a result of the annual improvements project. The Group does not expect that any adjustments will be necessary as the result of applying the revised rules.

(e) Earnings per share ("EPS")

Basic EPS is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than common shares, by the weighted average number of common shares outstanding during the financial year. Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential common shares and the weighted average number of common shares that would have been outstanding assuming the conversion of all dilutive potential common shares.

(f) Foreign currency translation

The functional and presentation currency of Simavita Limited and its Australian subsidiaries is the Australian dollar (AUD). Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities which are denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate ruling at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates ruling at the date when the fair value was determined.

As at the reporting date, where appropriate, the assets and liabilities of these subsidiaries are translated into the presentation currency of Simavita Limited at the rate of exchange ruling at the balance sheet date and the statement of comprehensive income is translated at the weighted average exchange rates for the period. The exchange differences arising on the retranslation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the statement of comprehensive income.

(g) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Chief Executive Officer.

(h) Government grants

Government grants are assistance by the government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the Group. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Group other than the requirement to operate in certain regions or industry sectors. Amounts received in respect of such grants are recognized as revenue when received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(i) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when all of the following conditions are satisfied:

- ▶ The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ▶ The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- ▶ The amount of revenue can be measured reliably;
- ▶ It is probable that the economic benefits associated with the transaction will flow to the Group; and
- ▶ The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- ▶ Installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period; and
- ▶ Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold.

Interest revenue

- ▶ Interest revenue is accrued on a time basis, by reference to the principal outstanding using the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(j) Share-based payments

The Company provides benefits to employees and others in the form of share-based payment transactions, whereby officers and employees render services and receive rights over shares ("equity-settled transactions"). The cost of these transactions is measured by reference to the fair value at the date they are granted. The fair value of options granted is determined using a Black-Scholes option pricing model.

In valuing equity-settled transactions, no account is taken of any non-market performance conditions. The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the relevant vesting conditions are fulfilled, ending on the date that the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognized for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired; and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the most current information available at balance date.

No expense is recognized for any awards that do not ultimately vest. Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where appropriate, the dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The Company's policy is to treat the share options of terminated employees as forfeitures.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(k) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or taxable loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognized as a liability (or asset) to the extent that it is unpaid (or refundable). The tax rate adopted in the calculation of all tax balances is the tax rate applicable in Australia as that is deemed to be the most meaningful rate based on the nature of the Group's activities.

Deferred tax

Deferred tax is accounted for in respect of temporary differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilized.

However, deferred tax assets and liabilities are not recognized if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognized in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognized as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognized directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

Simavita Holdings Limited (the "Head Entity") and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. As at June 30, 2014, the Group had not yet generated a profit from the commercialization of its intellectual property. Accordingly, no deferred tax assets arising from carried forward losses and temporary differences have yet been recognized.

(l) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the Company's immediate cash requirements, and earn interest at the respective short-term deposit rates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(m) Trade and other receivables

Trade receivables, which are non-interest bearing and generally have terms of between 30 to 90 days, are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that a receivable is impaired. Such evidence includes an assessment of the debtor's ability and willingness to pay the amount due. The amount of the allowance/impairment loss is measured as the difference between the carrying amount of the trade receivables and the estimated future cash flows expected to be received from the relevant debtors.

(n) Inventories

Inventories principally comprise finished goods and raw materials and are valued at the lower of cost and net realizable value. Inventory costs are recognized as the purchase price of items from suppliers plus freight inwards and any applicable landing charges. Costs are assigned on the basis of weighted average cost.

(o) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on either a straight-line or diminishing value basis over the estimated useful life of the respective asset as follows:

- ▶ Office equipment – 2.5 years
- ▶ Equipment under lease – 3 years
- ▶ Testing equipment – 3.33 years
- ▶ Motor vehicles – 3.33 years
- ▶ Furniture and fittings – 5 years

Costs relating to day-to-day servicing of any item of property, plant and equipment are recognized in profit or loss as incurred. The cost of replacing larger parts of some items of property, plant and equipment are capitalized when incurred and depreciated over the period until their next scheduled replacement, with the replacement parts being subsequently written off.

(p) Intangible assets

Patents

Patents held by the Group, which are used in the manufacture of its incontinence system and electronic components, are carried at cost and amortized on a straight-line basis over their useful lives, being from 5 to 10 years. External costs incurred in filing and protecting patent applications, for which no future benefit is reasonably assured, are expensed as incurred.

Research and development costs

Costs relating to research and development activities are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognized only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. To date, all development costs have been expensed as incurred as their recoverability cannot be regarded as assured.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(q) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value-in-use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to operations are recognized in those expense categories consistent with the function of the impaired asset unless the asset is carried at its revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If so, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless it reverses a decrement previously charged to equity, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(r) Trade and other payables

Trade payables and other payables are carried at amortized cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade payables and other payables generally have terms of between 30 and 60 days.

(s) Leases

Finance leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the financed item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease and hire purchase payments are apportioned between finance charges and a reduction of the associated liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as an expense in profit or loss. Capitalized leased assets and assets under hire purchase are depreciated over the shorter of the estimated useful life of the asset or the term of the agreement. Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

(t) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Expenses for non-accumulating sick leave are recognized when the leave is taken during the year and are measured at rates paid or payable.

In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used. Employee benefits expenses and revenues arising in respect of wages and salaries, non-monetary benefits, annual leave, long service leave and other leave benefits and other types of employee benefits are recognized against profits on a net basis in their respective categories.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(u) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(v) Contributed equity

Issued and paid up capital is recognized at the fair value of the consideration received by the Company. Transaction costs arising on the issue of common shares are recognized directly in equity as a deduction, net of tax, of the proceeds received.

(w) Mineral properties and deferred costs

The Company has written-off all of its mineral property interests and retains a residual royalty entitlement in respect of its Aurex exploration property.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgements are evaluated and based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of certain assets and liabilities within the next annual reporting period are set out below.

Reverse Takeover

The Company's acquisition of Simavita Holdings Limited is assessed to be an asset acquisition and not a business combination under IFRS 3 *Business combinations*, as the Company has been deemed not to have been operating a business at that time for accounting purposes.

Impairment of intangible assets

The Group determines whether intangible assets are impaired on at least an annual basis, in accordance with the accounting policies stated in Note 3(p). This process requires an estimation to be made of the recoverable amount of the cash-generating units to which the respective assets are allocated.

Share-based payments transactions

The Group measures the cost of equity-settled transactions with employees by reference to the value of the equity instruments at the date on which they are granted. The fair value is determined by an independent valuer using a Black-Scholes options pricing model.

Useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as lease terms (for leased equipment) and patent terms (for patents). In addition, the condition of the assets is assessed at least annually and considered against the remaining useful life and adjustments to useful lives are made when considered necessary.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS CONTINUED

(b) Critical judgements in applying the Group's accounting policies

Research and development costs

An intangible asset arising from development expenditure on an internal project is recognized only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

To date, all development costs have been expensed as incurred as their recoverability cannot be regarded as assured. In addition to the costs incurred by the Company's research and development group are also included. The costs of research and development are expensed in full in the period in which they are incurred. The Group will only capitalize its development expenses when specific milestones are met and when the Group is able to demonstrate that future economic benefits are probable.

	Consolidated	
	June 30, 2014	June 30, 2013
	\$	\$

5. OTHER REVENUE

Government grant	118,616	113,518
Interest revenue	121,183	46,089
Foreign currency gain/(loss)	(23,407)	(2,649)
Total other revenue	216,392	156,958

6. EXPENSES

Amortization of intangible assets	23,970	32,859
Depreciation of fixed assets	115,929	170,708
Employee benefits expenses	4,545,658	4,411,213
Research and development expenses (excluding employee benefits)	913,832	756,116

7. LOSS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

Loss for the year attributable to the owners of Simavita Limited	(10,491,790)	(7,385,811)
Weighted average number of shares used in calculating loss per share	30,430,727	2,247,908

Note: None of the 9,186,207 (2013: Nil) options or warrants over the Company's ordinary shares that were outstanding as at the reporting date are considered to be dilutive for the purposes of calculating diluted earnings per share.

	Consolidated	
	June 30, 2014 \$	June 30, 2013 \$
8. INCOME TAX		
Reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(11,706,145)	(8,423,727)
Tax at the Australian tax rate of 30% (2013: 30%)	(3,511,843)	(2,527,118)
Tax effect of adjustments relating to non-temporary differences		
Loss on acquisition	237,719	-
Research and development expenses	809,570	691,944
Share-based payments expense	390,700	-
Other (deductible)/non-deductible expenses	(6,351)	581
	(2,080,205)	(1,834,593)
Tax effect of adjustments relating to temporary differences		
Net non-deductible transaction expenses	220,287	66,433
Deductible equity transaction costs	(158,515)	-
Net movements in provisions and payables	14,306	(30,437)
Non-deductible interest expense	96,181	339,017
Accrued interest receivable	(5,624)	-
	(1,913,570)	(1,459,580)
Tax rate differential due to other tax jurisdictions	(35,774)	-
	(1,949,344)	(1,459,580)
Tax losses not recognized	1,949,344	1,459,580
	-	-
Research and development tax incentive	1,214,355	1,037,916
Income tax benefit	1,214,355	1,037,916
Deferred tax assets / (liabilities)		
Transaction expenses	345,724	125,437
Equity transaction costs	634,062	-
Provisions and payables	93,101	80,434
Other liabilities	(5,624)	(844)
	1,067,263	205,027
Deferred tax assets on temporary differences not brought to account	(1,067,263)	(205,027)
Total net deferred tax assets	-	-
Tax losses		
Australia	6,386,435	5,852,549
United States of America	98,156	52,814
Total deferred tax assets on tax losses not recognized	6,484,591	5,904,733

8. INCOME TAX CONTINUED

Subject to the Group continuing to meet the relevant statutory tests, the tax losses are available for offset against future taxable income.

As at balance date, there are unrecognized tax losses with a benefit of approximately \$6,484,591 (2013: \$5,904,733) that have not been recognized as a deferred tax asset to the Group. These unrecognized deferred tax assets will only be obtained if:

- (a) The Group companies derive future assessable income of a nature and amount sufficient to enable the benefits to be realized;
- (b) The Group companies continue to comply with the conditions for deductibility imposed by the law; and
- (c) No changes in tax legislation adversely affect the Group companies from realizing the benefit.

Tax consolidation legislation

Simavita Holdings Limited (the "Head Entity") and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. As at June 30, 2014, the Group had not yet generated a profit from the commercialization of its intellectual property. Accordingly, no deferred tax assets arising from carried forward losses and temporary differences have yet been recognized.

The entities have also entered into a Tax Funding Agreement under which the wholly-owned entities compensate Simavita Holdings Limited for any current tax payable assumed and are compensated by Simavita Holdings Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Simavita Holdings Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognized in the financial statements of the respective controlled entities.

The amounts receivable or payable under the Tax Funding Agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year.

9. DIVIDENDS AND DISTRIBUTIONS

No dividends have been paid since the end of the previous financial year, nor have the Directors recommended that any dividend be paid.

	Consolidated	
	June 30, 2014 \$	June 30, 2013 \$

10. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	3,291,355	737,978
Short-term deposits	3,552,842	-
Total cash and cash equivalents	6,844,197	737,978

11. TRADE AND OTHER RECEIVABLES

Trade receivables	58,768	19,700
GST receivable	105,141	89,190
Accrued interest receivable	18,745	-
Research and development tax concession receivable	1,214,355	1,037,916
Total trade and other receivables	1,397,009	1,146,806

Note: All trade and other receivables for the Group are due in Australian dollars. Refer Note 30 for details of aging, interest rate and credit risks applicable to trade and other receivables for which, due to their short-term nature, their carrying value approximates their fair value.

	Consolidated	
	June 30, 2014 \$	June 30, 2013 \$
12. INVENTORIES		
Finished goods and raw materials	313,809	331,873
Total inventories	313,809	331,873
13. OTHER ASSETS		
Prepayments	25,582	2,919
Deposits	25,134	9,393
Total other assets	50,716	12,312
14. PROPERTY, PLANT AND EQUIPMENT		
Office equipment, at cost	168,924	164,970
Less: accumulated depreciation	(151,661)	(134,967)
Net office equipment	17,263	30,003
Furniture and fittings, at cost	76,030	130,745
Less: accumulated depreciation	(64,806)	(89,179)
Net furniture and fittings	11,224	41,566
Leasehold improvements, at cost	40,961	-
Less: accumulated depreciation	(1,707)	-
Net leasehold improvements	39,254	-
Testing equipment, at cost	42,108	16,888
Less: accumulated depreciation	(19,749)	(12,440)
Net testing equipment	22,359	4,448
Motor vehicles, at cost	42,599	43,082
Less: accumulated depreciation	(42,599)	(35,305)
Net motor vehicles	-	7,777
Rental assets, at cost	55,288	175,800
Less: accumulated depreciation	(30,952)	(75,791)
Net rental assets	24,336	100,009
Total property, plant and equipment	114,436	183,803

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014

	Consolidated	
	June 30, 2014 \$	June 30, 2013 \$

14. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Reconciliation of property, plant and equipment		
Opening gross carrying amount	531,485	456,481
Add: additions purchased during the year	97,756	75,004
Less: disposals made during the year	(203,331)	-
Closing gross carrying amount	425,910	531,485
Opening accumulated depreciation	(347,682)	(176,974)
Add: disposals made during the year	152,137	-
Less: depreciation expense charged	(115,929)	(170,708)
Closing accumulated depreciation	(311,474)	(347,682)
Total net property, plant and equipment	114,436	183,803

Reconciliation of movements in property, plant and equipment by asset category

Asset category	Opening net carrying amount \$	Additions during year \$	Net disposals during year \$	Depreciation expense \$	Closing net carrying amount \$
Office equipment	30,003	19,744	-	(32,484)	17,263
Furniture and fittings	41,566	-	(16,002)	(14,340)	11,224
Leasehold improvements	-	40,961	-	(1,707)	39,254
Testing equipment	4,448	25,220	-	(7,309)	22,359
Motor vehicles	7,777	-	-	(7,777)	-
Rental assets	100,009	11,831	(35,192)	(52,312)	24,336
Totals	183,803	97,756	(51,194)	(115,929)	114,436

	Consolidated	
	June 30, 2014 \$	June 30, 2013 \$

15. INTANGIBLE ASSETS

Patents		
Patents, at cost	67,690	67,690
Less: accumulated amortization	(23,539)	(21,656)
Total net patents	44,151	46,034
Software		
Software, at cost	94,767	77,725
Less: accumulated amortization	(69,161)	(47,074)
Total net software	25,606	30,651
Total intangible assets	69,757	76,685

	Consolidated	
	June 30, 2014 \$	June 30, 2013 \$

15. INTANGIBLE ASSETS CONTINUED

Reconciliation of software		
Opening gross carrying amount	77,725	69,147
Add: additions during the year	17,042	8,578
Closing gross carrying amount	94,767	77,725
Opening accumulated amortization	(47,074)	(21,272)
Add: amortization expense charged	(22,087)	(25,802)
Closing accumulated amortization	(69,161)	(47,074)
Total net software	25,606	30,651
Reconciliation of patents		
Opening gross carrying amount	67,690	67,690
Add: additions during the year	-	-
Closing gross carrying amount	67,690	67,690
Opening accumulated amortization	(21,656)	(14,599)
Add: amortization expense charged	(1,883)	(7,057)
Closing accumulated amortization	(23,539)	(21,656)
Total net patents	44,151	46,034

16. TRADE AND OTHER PAYABLES

Trade payables	630,888	447,907
GST payable	10,535	4,317
Other payables and accruals	381,400	290,553
Total trade and other payables	1,022,823	742,777

Note: Trade payables and other payables for the Group include amounts due in Australian dollars of \$815,721 (2013: \$696,442), US dollars of USD 23,223 (2013: USD 45,743), Canadian dollars of CAD 67,929 (2013: CAD Nil) and European euros of EUR 76,374 (2013: EUR Nil). Refer Note 30 for details of contractual maturity and management of interest rate, foreign exchange and liquidity risks applicable to trade and other payables for which, due to their short-term nature, their carrying value approximates their fair value.

17. INTEREST-BEARING LIABILITIES

Balance at the beginning of the year	10,147,143	3,727,436
Draw down of borrowings	-	6,178,703
Interest accrued during the year	249,885	941,004
Repayment of borrowings	(2,384,161)	(700,000)
Conversion of borrowings into equity	(7,885,514)	-
Conversion of Directors' loans into equity	(127,353)	-
Balance at the end of the year	-	10,147,143

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014

	Consolidated	
	June 30, 2014 \$	June 30, 2013 \$
17. INTEREST-BEARING LIABILITIES CONTINUED		
Reconciled as follows:		
Current interest-bearing liabilities	-	6,777,465
Non-current interest-bearing liabilities	-	3,369,678
Total interest-bearing liabilities	-	10,147,143

18. PROVISIONS

Annual leave	193,297	190,199
Long service leave	43,041	-
Total provisions	236,338	190,199
Reconciliation of annual leave provision		
Balance at the beginning of the year	190,199	147,804
Add: obligation accrued during the year	179,501	109,090
Less: balance utilized during the year	(176,403)	(66,695)
Balance at the end of the year	193,297	190,199
Reconciliation of long service leave provision		
Balance at the beginning of the year	-	-
Add: obligation accrued during the year	43,041	-
Balance at the end of the year	43,041	-

19. SHARE CAPITAL

Summary of shares issued and outstanding

	Number of shares	Amount \$
Balance at July 1, 2012	7,945,423	18,764,144
Issue of ordinary shares by Simavita Holdings for cash	18,914	44,570
Equity transaction costs	-	(206,427)
Balance at July 1, 2013	7,964,337	18,602,287
Issue of ordinary shares by Simavita Holdings for cash (pre-acquisition)	20,928,675	2,000,000
Conversion of borrowings into equity (pre-acquisition)	49,589,520	7,885,514
Share consolidation by Simavita Holdings (1 for 3.543)	(56,331,098)	-
Issue of ordinary shares by Simavita Holdings for cash (pre-acquisition)	33,902,338	13,899,963
Elimination of shares in legal acquiree (Simavita Holdings)	(56,053,772)	-
Issue of common shares on acquisition of Simavita Holdings	56,053,772	-
Fair value of common shares held by pre-acquisition shareholders of Gtech	1,722,722	706,316
Issue of common shares by Simavita Limited for cash (post-acquisition)	7,876,832	3,504,968
Equity transaction costs	-	(2,663,096)
Balance at June 30, 2014	65,653,326	43,935,952

19. SHARE CAPITAL CONTINUED

Summary of warrants outstanding

As at June 30, 2014, the following warrants had been granted as part of the Company's capital raisings:

Number	Exercise price	Grant date	Expiry date	Fair value / warrant
1,154,245	\$0.41	January 31, 2014	December 3, 2016	\$0.167

As at the date of this Report, the following warrants had been granted to Medline Industries, Inc. ("Medline") as part of the Company's distribution arrangements with that company (refer notes below the table for further details):

Tranche	Number	Exercise price	Grant date	Expiry date	Fair value / warrant
Tranche One	1,155,298	CAD\$0.42	January 31, 2014	December 6, 2018	\$0.206
Tranche Two	1,444,412	(refer note 1)	January 1, 2015	January 1, 2018	N/A
Tranche Three	1,444,412	(refer note 2)	January 1, 2016	January 1, 2018	N/A

1. Tranche Two has an exercise price equal to the greater of (i) CAD\$0.504, as may be adjusted; or (ii) the volume-weighted average closing price of the common shares on the Toronto Stock Exchange and each other stock exchange upon which the Company's common shares are traded for the 30 days prior to the date of exercise.
2. Tranche Three has an exercise price equal to the greater of: (i) CAD\$0.604, as may be adjusted; or (ii) the volume-weighted average closing price of the common shares on the Toronto Stock Exchange and each other stock exchange upon which the Company's common shares are traded for the 30 days prior to the date of exercise.

The right to purchase common shares in Tranches Two and Three are subject to the condition precedent that Medline meets the Extended Sales Volumes for the Contract Year (as defined in the Distribution Agreement). All warrants vested immediately on the date of grant.

Summary of options outstanding

As at June 30, 2014, the following options were outstanding:

Number	Exercise price	Grant date	Expiry date	Fair value / option
1,469,166	\$0.41	January 31, 2014	December 3, 2016	\$0.167
2,469,166	\$0.52	January 31, 2014	December 3, 2016	\$0.137
1,469,166	\$0.65	January 31, 2014	December 3, 2016	\$0.110
1,469,166	\$0.82	January 31, 2014	December 3, 2016	\$0.086

		Consolidated	
		June 30, 2014 \$	June 30, 2013 \$

20. RESERVES

Share-based payments reserve	2,276,913	974,580
Share capital reserve	499,445	499,445
Foreign currency reserve	(26,828)	4,045
Total reserves	2,749,530	1,469,980

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014

	Consolidated	
	June 30, 2014 \$	June 30, 2013 \$
21. RETAINED LOSSES		
Balance at the beginning of the year	(28,662,929)	(21,277,118)
Add: net loss attributable to owners of Simavita Limited	(10,491,790)	(7,385,811)
Balance at the end of the year	(39,154,719)	(28,662,929)

22. EMPLOYEE BENEFITS

Employee options

On November 20, 2013, the shareholders of the Company approved changes to the Company's Stock Option Plan (the "Plan". Under the terms of the Plan, the Directors may, at their discretion, grant options over the common shares in Simavita Limited to Directors, executives, consultants and employees.

During the period from the date of acquisition of Simavita Holdings Limited, being December 3, 2013, up to June 30, 2014, a total of 6,876,664 options over common shares in the Company were granted, at no cost, to three Directors of the Company. Each option entitles the holder to acquire one common share at a cost of between \$0.41 and \$0.82 (refer Note 19). The above options granted during the 2014 financial year vested immediately on the date of grant. The fair value of each option granted under the Plan is estimated by an external valuer using a Black-Scholes option-pricing model with the following assumptions used for grants made during the year ended June 30, 2014:

Historic volatility and expected volatility	60%
Option exercises prices	\$0.41 to \$0.82
Weighted average exercise price	\$0.588
Risk-free interest rate	3.03%
Expected life of an option	3 years from date of commitment

Superannuation commitments

The Group does not have any defined benefit funds. In respect of the year ended June 30, 2014, the Group made statutory contributions to various superannuation funds on behalf of all employees in Australia at a rate of up to 9.25% per annum, in addition to making other superannuation contributions as part of salary packaging arrangements with staff. All superannuation contributions are expensed when incurred. Contributions made by the Group of up to 9.25% per annum of employees' wages and salaries are legally enforceable in Australia.

23. RELATED PARTY TRANSACTIONS

Up until December 3, 2013, the Company was a subsidiary of Genetic Technologies Limited ("GTG"), a company listed on both the Australian Securities Exchange and NASDAQ Capital Market. During the year ended June 30, 2014, there were minor expenses incurred by GTG on the Company's behalf that were subsequently reimbursed.

Details of Directors and Key Management Personnel as at balance date

Directors	Executives
Peter C. Cook (Non-Executive Chairman)	Thomas G. Howitt (Chief Financial Officer / Secretary)
Philippa M. Lewis (Chief Executive Officer)	Peter J. Curran (Chief Technology Officer)
Ari B. Bergman (Non-Executive)	
Damien M. Haakman (Non-Executive)	

23. RELATED PARTY TRANSACTIONS CONTINUED

Remuneration of Key Management Personnel (“KMP”)

Name and title of Directors	Year	Short-term		Long-term			Totals
		Salary/fees \$	Other \$	Post-employment Superannuation \$	Long service leave \$	Share-based Options \$	
Peter C. Cook ¹ <i>Non-Executive Chairman</i>	2014	40,139	-	3,713	-	-	43,852
	2013	-	-	-	-	-	-
Philippa M. Lewis ² <i>Chief Executive Officer</i>	2014	315,000	504,776	24,281	14,582	734,583	1,593,222
	2013	-	559,657	-	-	-	559,657
Ari B. Bergman ³ <i>Non-Executive Director</i>	2014	-	44,054	-	-	68,500	112,554
	2013	-	144,106	-	-	-	144,106
Damien M. Haakman ⁴ <i>Non-Executive Director</i>	2014	37,917	210,000	-	-	-	247,917
	2013	17,500	1,253	-	-	-	18,753
Maxwell C. Lloyd-Jones ⁵ <i>Ex-Non-Exec. Chairman</i>	2014	54,667	-	-	-	-	54,667
	2013	67,087	7,016	-	-	-	74,103
Dr. Malcolm R. Brandon ⁶ <i>Ex-Non-Exec. Chairman</i>	2014	-	-	-	-	-	-
	2013	-	-	-	-	-	-
Alison J. Mew ⁷ <i>Ex-Non-Executive Director</i>	2014	-	-	-	-	-	-
	2013	-	-	-	-	-	-
Sub-totals for Directors	2014	447,723	758,830	27,994	14,582	803,083	2,052,212
	2013	84,587	712,032	-	-	-	796,619

Name and title of Executives	Year	Short-term		Long-term			Totals
		Salary/fees \$	Other \$	Post-employment Superannuation \$	Long service leave \$	Share-based Options \$	
Thomas G. Howitt ⁸ <i>Chief Financial Officer and Secretary</i>	2014	52,019	-	4,444	-	68,500	124,963
	2013	-	-	-	-	-	-
Peter J. Curran ⁹ <i>Chief Technology Officer</i>	2014	220,000	20,000	22,200	-	-	262,200
	2013	220,000	-	19,800	-	-	239,800
Colin Christie ¹⁰ <i>Ex-Chief Financial Officer</i>	2014	210,819	20,000	18,364	-	-	249,183
	2013	115,032	-	10,353	-	-	125,385
Robert J. Birrell ¹¹ <i>Ex-Chief Financial Officer</i>	2014	-	-	-	-	-	-
	2013	100,100	-	-	-	-	100,100
Sub-totals for Executives	2014	482,838	40,000	45,008	-	68,500	636,346
	2013	435,132	-	30,153	-	-	465,285
Total remuneration of KMP	2014	930,561	798,830	73,002	14,582	871,583	2,688,558
	2013	519,719	712,032	30,153	-	-	1,261,904

Note: The heading “Other” includes commissions, bonuses, interest and expenses paid to KMP as detailed in Notes 1 to 11 below.

23. RELATED PARTY TRANSACTIONS CONTINUED

Remuneration of Key Management Personnel (“KMP”) CONTINUED

The amounts included in the tables above include amounts paid by the Company and its subsidiaries and, prior to the acquisition of Simavita Holdings Limited on November 20, 2013, by that group as well. The following changes to KMP occurred during the period from July 1, 2013 up to the date of this Report and the payments noted were made:

1. Mr. Cook was appointed as a Director of the Company on November 20, 2013 and subsequently as Non-Executive Chairman of the Board on January 31, 2014.
2. Ms. Lewis was appointed as a Director of the Company and its Chief Executive Officer on November 20, 2013, having formerly held the position of Chief Executive Officer of Simavita Holdings Limited. Payments made to Ms. Lewis during the year ended June 30, 2014 totalling \$504,776 (as disclosed above under the heading “Other”) comprise fees and bonuses paid to Dumur Asia Pacific Pty. Ltd., a company associated with Ms. Lewis, of \$264,695 (2013: \$488,750); commission payments made in respect of the Company’s capital raising in November 2013 of \$208,500 (2013: \$61,770); certain expense payment fringe benefits totalling \$31,581 (2013: \$Nil) and interest paid in respect of loans made by Dumur Asia Pacific Pty. Ltd. to the Company of \$Nil (2013: \$9,137).
3. Mr. Bergman was appointed as a Director of the Company on November 20, 2013. He also served as a Director of Simavita Holdings Limited from July 1, 2013. Payments made to Mr. Bergman during the year ended June 30, 2014 totalling \$44,054 (as disclosed above under the heading “Other”) comprise fees paid to Estley Pty. Ltd., a company associated with Mr. Bergman of \$44,054 (2013: \$127,913), and interest paid in respect of loans made by Estley Pty. Ltd. to the Company of \$Nil (2013: \$16,193).
4. Mr. Haakman was appointed as a Director of the Company on November 20, 2013. He also served as a Director of Simavita Holdings Limited from July 1, 2013. Payments made to Mr. Haakman during the year ended June 30, 2014 totalling \$210,000 (as disclosed above under the heading “Other”) comprise commission payments made paid to Dussman Pty. Ltd., a company associated with Mr. Haakman, in respect of the Company’s capital raising in November 2013 of \$90,000 (2013: \$Nil) and interest and related fees paid in respect of loans made by Dussman Pty. Ltd. to the Company of \$120,000 (2013: \$1,253).
5. Mr. Lloyd-Jones was appointed as a Director of the Company and as Non-Executive Chairman of the Board on November 20, 2013. He subsequently resigned as a Director of the Company on January 31, 2014. He was formerly a Director of Simavita Holdings Limited and Non-Executive Chairman of its Board from July 1, 2013 until January 31, 2014. Payments made to Mr. Lloyd-Jones during the year ended June 30, 2013 totalling \$7,016 (as disclosed above under the heading “Other”) comprise interest paid in respect of loans made by Wolsey Pty. Ltd., a company associated with Mr. Lloyd-Jones, to the Company.
6. Dr. Brandon served as a Director of the Company and as Non-Executive Chairman of the Board from July 1, 2013 until November 20, 2013 when he was not re-elected as a Director.
7. Ms. Mew served as a Director of the Company from July 1, 2013 until November 20, 2013 when she was not re-elected as a Director.
8. Mr. Howitt served as a Director of the Company from July 1, 2013 until April 14, 2014 when he resigned from the Board to take up the executive position of Chief Financial Officer of the Group. He also served as Secretary of the Company for the entire year ended June 30, 2014.
9. Mr. Curran was appointed as Executive Vice President – Operations of Simavita (Aust.) Pty. Ltd. on May 28, 2009 and subsequently as Chief Technology Officer of the Group on May 1, 2014. Payments made to Mr. Curran during the year ended June 30, 2014 totalling \$20,000 (as disclosed above under the heading “Other”) comprise bonuses paid (2013: \$Nil).
10. Mr. Christie served as Chief Financial Officer of the Group from November 19, 2012 until March 4, 2014. Payments made to Mr. Christie during the year ended June 30, 2014 totalling \$20,000 (as disclosed above under the heading “Other”) comprise bonuses paid (2013: \$Nil).
11. Mr. Birrell served as Chief Financial Officer of the Group from July 1, 2012 until December 14, 2012.

23. RELATED PARTY TRANSACTIONS CONTINUED

Other related party transactions

During the year ended June 30, 2014, the following transactions with related parties took place:

1. Loans totalling \$120,491 that were previously made to the Company by Dumur Asia Pacific Pty. Ltd., a company associated with Ms. Lewis, were repaid by the Company.
2. Loans totalling \$205,234 that were previously made to the Company by Mirest Pty. Ltd. and Estley Pty. Ltd., both companies associated with Mr. Bergman, were repaid by the Company.
3. Loans totalling \$2,172,556 that were previously made to the Company by Dussman Pty. Ltd., a company associated with Mr. Haakman, were repaid by the Company.
4. Loans totalling \$74,103 that were previously made to the Company by Wolsey Pty. Ltd., a company associated with Mr. Lloyd-Jones, were repaid by the Company.

The loans that were repaid during the year ended June 30, 2014 had been advanced to the Company to provide it with sufficient working capital to fund its continuing operations until such time as the transaction with the former Gtech International Resources Limited and the accompanying major fundraising could be completed.

Shares and CHESS Depositary Interests ("CDIs") held by members of Key Management Personnel (or parties related to them)

Shares/CDIs held in Simavita Group	Balance July 1, 2012	Acquired	Sold	Balance June 30, 2013	Acquired	Sold	Balance June 30, 2014
Director							
Peter C. Cook	-	-	-	-	120,000	-	120,000
Philippa M. Lewis	644,582	-	-	644,582	(218,747)	-	425,835
Ari B. Bergman	259,134	-	-	259,134	417,176	-	676,310
Damien M. Haakman	1,424,126	-	-	1,424,126	23,514,701	-	24,938,827
Executive							
Thomas G. Howitt	-	-	-	-	15,000	-	15,000
Peter J. Curran	-	-	-	-	-	-	-
Colin Christie	-	-	-	-	-	-	-
Robert J. Birrell	7,700	-	-	7,700	-	-	-
Totals	2,335,542	-	-	2,335,542	23,848,130	-	26,175,972

Note: Common shares and CDIs disclosed in the above table comprise securities held in Simavita Limited and, prior to the acquisition of Simavita Holdings Limited, securities in that company as well. The securities listed also include those held by associates of the parties named. Adjustments have been made to reflect various conversions of debt into equity and the consolidations of equity made the Group during the financial year ended June 30, 2014. Mr. Cook became a member of Key Management Personnel ("KMP") upon becoming a Director of the Company on November 20, 2013. Mr. Haakman became a member of KMP upon becoming a Director of Simavita Holdings Limited on December 10, 2012. Mr. Birrell ceased to be a member of KMP upon his resignation on December 14, 2012.

23. RELATED PARTY TRANSACTIONS CONTINUED

Options held by members of Key Management Personnel

As at June 30, 2014, the following options had been granted to members of Key Management Personnel:

Philippa M. Lewis – Chief Executive Officer

Number	Exercise price	Grant date	Expiry date	Fair value / option
1,469,166	\$0.41	January 31, 2014	December 3, 2016	\$0.167
1,469,166	\$0.52	January 31, 2014	December 3, 2016	\$0.137
1,469,166	\$0.65	January 31, 2014	December 3, 2016	\$0.110
1,469,166	\$0.82	January 31, 2014	December 3, 2016	\$0.086

Ari B. Bergman – Non-Executive Director

Number	Exercise price	Grant date	Expiry date	Fair value / option
500,000	\$0.52	January 31, 2014	December 3, 2016	\$0.137

Thomas G. Howitt – Chief Financial Officer and Secretary

Number	Exercise price	Grant date	Expiry date	Fair value / option
500,000	\$0.52	January 31, 2014	December 3, 2016	\$0.137

		Consolidated	
		June 30, 2014 \$	June 30, 2013 \$

24. COMMITMENTS AND CONTINGENCIES

Operating lease expenditure commitments

Minimum operating lease payments		
- not later than one year	172,786	59,454
- later than one year but not later than five years	475,848	-
- later than five years	-	-
Total minimum operating lease payments	648,634	59,454

As at June 30, 2014, the Group had entered into two operating leases relating to the following premises:

Location	Landlord	Use	Date of expiry of lease	Minimum payments (\$)
Level 13, 54 Miller Street North Sydney, NSW 2060 Australia	54 Miller Street Pty. Ltd.	Office	June 30, 2018	616,914
Level 40, 140 William Street Melbourne, Victoria 3000 Australia	ServCorp Pty. Ltd.	Office	May 11, 2015	31,720
Total				648,634

25. SEGMENT INFORMATION

As at June 30, 2014, the Group had one reportable business segment being the sale of products and services associated with the assessment and management of urinary incontinence. As at balance date, the Group's only geographic segment was Australia.

26. AUDITORS' REMUNERATION

Name of Auditor	Year	Audit services \$	Other assurance services \$	Other services \$	Totals \$
PricewaterhouseCoopers	2014	94,000	-	-	94,000
	2013	-	-	-	-
BDO East Coast Partnership	2014	10,000	61,095	34,431	105,526
	2013	34,000	-	19,750	53,750
De Visser Gray LLP	2014	-	-	12,620	12,620
	2013	8,233	-	-	8,233
Total auditors' remuneration	2014	104,000	61,095	47,051	212,146
	2013	42,233	-	19,750	61,983

27. ACQUISITION OF SIMAVITA HOLDINGS LIMITED

On July 29, 2013, the Company announced that it had executed a Scheme Merger Agreement (the "Agreement") with Simavita Holdings Limited ("Simavita Holdings"). Pursuant to the Agreement, a meeting of the shareholders of the Company (the "Meeting") was held on November 20, 2013 to approve the issue of new shares by the Company to the shareholders of Simavita Holdings to acquire 100% of the issued capital of Simavita Holdings (the "Merger"). The Merger was implemented by way of a scheme of arrangement under the Australian Corporations Act.

At the Meeting held on November 20, 2013, various resolutions were passed by the shareholders pursuant to which:

1. A consolidation of the Company's share capital took place on the basis on one post-consolidation share for every three pre-consolidation shares such that the number of shares on issue was reduced from 5,168,167 to 1,722,722.
2. The Company changed its business as a result of it issuing a total of 56,053,772 post-consolidation shares to the shareholders of Simavita, following which Simavita became a wholly-owned subsidiary of the Company. The transaction was accounted for as an asset acquisition.
3. The Company changed its name from Gtech International Resources Limited to Simavita Limited.
4. The Company continued into British Columbia, Canada under the Business Corporations Act (British Columbia) ("BCBCA") and adopted constating documents that comply with the BCBCA.
5. The Company adopted changes to its Stock Option Plan and subsequently issued certain options and warrants.
6. Dr. Malcolm R. Brandon and Alison J. Mew were not re-elected as Directors of the Company.
7. Maxwell C. Lloyd-Jones, Philippa M. Lewis, Ari B. Bergman, Peter C. Cook and Damien M. Haakman were all appointed as Directors of the Company, with Mr. Lloyd-Jones being appointed as Chairman and Ms. Lewis being appointed as CEO. Subsequently, Mr. Lloyd-Jones resigned and Mr. Cook was appointed as Chairman.
8. The Company resumed trading on the TSX Venture Exchange under the symbol "SV".

A total of \$14,305,928 was raised by the Group from the issue of common and ordinary shares as part of the acquisition of Simavita Holdings. These funds were used to repay existing debts of the Company, expand the Group's operations in the US market, meet the costs of the transaction and provide on-going working capital.

28. EXPLORATION AGREEMENTS

Canada; Yukon Territory

Aurex Property – Mayo Mining District

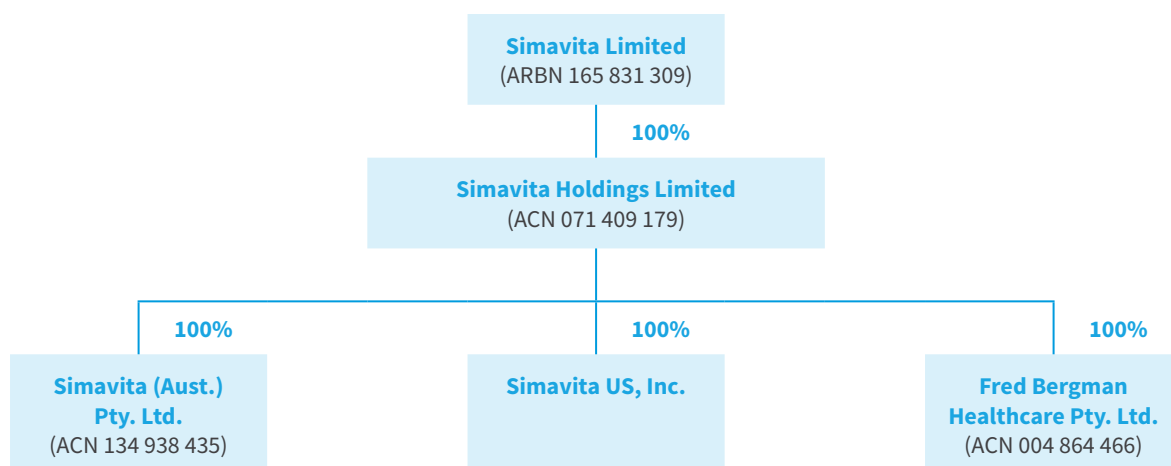
The Company previously had a 100% interest in this property, which consisted of 155 mineral claims. On August 16, 2001, the Company agreed with Yukon Zinc Corp. (“Yukon Zinc”) to accept CAD 84,000, to be paid by the issue of 600,000 common shares in Yukon Zinc, as final settlement for the sale of the property. The property was subsequently sold to StrataGold Corporation which was purchased by Victorian Gold Corp. in June 2009. Simavita retains a 1.5% royalty on the project which Victorian Gold Corp. may purchase from the Company for CAD\$1,000,000.

Revenue Creek Area – Whitehorse Mining District

The Company previously owned 69 mineral claims which it sold to ATAC Resources Limited (“ATAC”), a Canadian public company, on January 16, 2002. The Company agreed to accept 200,000 common shares in ATAC and a cash payment of CAD\$5,000 in final settlement for the transfer of the project. Simavita retains a 1.5% net smelter royalty which ATAC may purchase from the Company for CAD\$600,000.

29. GROUP STRUCTURE

The following diagram is a depiction of the Group structure as at June 30, 2014.



Name of Group company	Incorporation details	Group interest (%)	
		2014	2013
Simavita Limited	May 28, 1968; Yukon, Canada (continued into British Columbia, Canada on December 3, 2013)	N/A	N/A
Simavita Holdings Limited	October 11, 1995; Victoria, Australia	100%	N/A
Simavita (Aust.) Pty. Ltd.	January 15, 2009; NSW, Australia	100%	100%
Simavita US, Inc.	August 11, 2012; Delaware, USA	100%	100%
Fred Bergman Healthcare Pty. Ltd.	January 28, 1971; Victoria, Australia	100%	100%

30. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks such as credit risk, market risk (including foreign currency risk and interest rate risk) and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure the different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange, interest rate and aging analysis for credit risk.

Risk management is managed by the Group's Audit and Risk Committee (the "Committee") under guidance provided by the Board of Directors. The Committee identifies and evaluates financial risks in close cooperation with the Group's operating units. The Board, via the Committee, provides guidance for overall risk management, as well as policies covering specific areas, such as credit risk, foreign exchange risk and interest rate risk.

The Group's principal financial instruments comprise cash and cash equivalents. The Group also has other financial assets and liabilities, such as trade receivables and payables, which arise directly from its operations.

The Group does not typically enter into derivative transactions, such as interest rate swaps or forward currency contracts. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are credit risk exposures, foreign currency risk, interest rate risk and liquidity risk. The policies and procedures for managing these risks are summarized below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

The Group holds the following financial instruments:

	Consolidated	
	June 30, 2014 \$	June 30, 2013 \$
Financial assets		
Cash and cash equivalents	6,844,197	737,978
Trade and other receivables	1,397,009	1,146,806
Performance bond and deposits	50,716	12,312
Total financial assets	8,291,922	1,897,096
Financial liabilities		
Trade and other payables	1,022,823	742,777
Interest-bearing liabilities	-	10,147,143
Total financial liabilities	1,022,823	10,889,920

30. FINANCIAL RISK MANAGEMENT CONTINUED

Credit risk

The Group's credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. If there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The compliance with credit limits by customers is regularly monitored by Management. The maximum exposures to credit risk as at June 30, 2014 in relation to each class of recognized financial assets is the carrying amount of those assets, as indicated in the balance sheet.

Financial assets included on the balance sheet that potentially subject the Group to concentration of credit risk consist principally of cash and cash equivalents and trade receivables. In accordance with the guidelines of the Group's Short Term Investment Policy, the Group minimizes this concentration of risk by placing its cash and cash equivalents with financial institutions that maintain superior credit ratings in order to limit the degree of credit exposure. For banks and financial institutions, only independently-rated parties with a minimum rating of "A-1" are accepted. The Group has also established guidelines relative to credit ratings, diversification and maturities that seek to maintain safety and liquidity. The Group does not require collateral to provide credit to its customers, however, the majority of the Group's customers to whom credit is provided are substantial, reputable organisations and, as such, the risk of credit exposure is relatively limited. The Group has not entered into any transactions that qualify as a financial derivative instrument.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. As at June 30, 2014, the Group had raised no provision for doubtful debts. In certain circumstances, the Group may also obtain security in the form of guarantees, deeds of undertaking or letters of credit from customers which can be called upon if the counterparty is in default under the terms of the agreement.

Credit risk further arises in relation to financial guarantees given by the Group to certain parties in respect of any obligations of its subsidiaries. Such guarantees are only provided in exceptional circumstances. An analysis of the aging of trade and other receivables and trade and other payables is provided below:

	Consolidated	
	June 30, 2014 \$	June 30, 2013 \$
Trade and other receivables		
Current (less than 30 days)	1,373,973	1,135,081
31 days to 60 days	13,421	1,485
61 days to 90 days	2,420	805
Greater than 90 days	7,195	9,435
Total trade and other receivables (Note 11)	1,397,009	1,146,806
Trade and other payables		
Current (less than 30 days)	987,352	683,600
31 days to 60 days	35,471	21,803
61 days to 90 days	-	27,516
Greater than 90 days	-	9,858
Total trade and other payables (Note 16)	1,022,823	742,777

30. FINANCIAL RISK MANAGEMENT CONTINUED

Market risk

Foreign currency risk

The Group operates internationally and is exposed to foreign currency exchange risk, primarily as at balance date with respect to the US dollar and Canadian dollar, through financial assets and liabilities. It is the Group's policy not to hedge these transactions as the exposure is considered to be minimal from a consolidated operations perspective. Further, as the Group incurs expenses which are payable in US dollars, the financial assets that are held in US dollars provide a natural hedge for the Group.

Foreign exchange risk arises from planned future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group has a Foreign Exchange Management Policy which was developed to establish a formal framework and procedures for the efficient management of the financial risks that impact on Simavita Limited through its activities outside of Australia, predominantly in the United States. The policy governs the way in which the financial assets and liabilities of the Group that are denominated in foreign currencies are managed and any risks associated with that management are identified and addressed. Under the policy, which is updated as circumstances dictate, the Group generally retains in foreign currency only sufficient funds to meet the expected expenditures in that currency. Surplus funds, if any, are converted into Australian dollars as soon as practicable after receipt.

As at June 30, 2014, the Group held the following financial assets and liabilities that were denominated in the various currencies stated:

	Year	AUD	USD	CAD	EUR	Totals (AUD)
Financial assets						
Cash and cash equivalents	2014	6,554,970	21,933	267,908	-	6,844,197
	2013	729,999	8,079	-	-	737,978
Trade and other receivables	2014	1,397,009	-	-	-	1,397,009
	2013	1,146,806	-	-	-	1,146,806
Performance bond and deposits	2014	50,716	-	-	-	50,716
	2013	12,312	-	-	-	12,312
Total financial assets	2014	8,002,695	21,933	267,908	-	8,291,922
	2013	1,889,117	8,079	-	-	1,897,096
Financial liabilities						
Trade and other payables	2014	815,721	23,223	67,929	76,374	1,022,823
	2013	696,442	45,743	-	-	742,777
Total financial liabilities	2014	815,721	23,223	67,929	76,374	1,022,823
	2013	696,442	45,743	-	-	742,777

Notes: **AUD** – Australian dollars **USD** – United States dollars **CAD** – Canadian dollars **EUR** – European euros

30. FINANCIAL RISK MANAGEMENT CONTINUED

Market risk CONTINUED

During the year ended June 30, 2014, the Australian dollar / US dollar exchange rate increased by 2.5%, from 0.9194 at the beginning of the year to 0.9420 at the end of the year.

During the same period, the Australian dollar / Canadian dollar exchange rate increased by 4.2%, from 0.9654 at the beginning of the year to 1.0057 at the end of the year.

Also, during the same period, the Australian dollar / Euro exchange rate decreased by 1.7%, from 0.7019 at the beginning of the year to 0.6902 at the end of the year.

Based on the financial instruments held at June 30, 2014, had the Australian dollar weakened / strengthened by 10% against the US dollar with all other variables held constant, the Group's consolidated loss for the year would not have changed materially.

Based on the financial instruments held at June 30, 2014, had the Australian dollar weakened / strengthened by 10% against the Canadian dollar with all other variables held constant, the Group's equity, relating solely to the movement in profit and loss for the year, would have been \$22,000 lower / \$18,000 higher (2013: loss \$Nil / loss \$Nil), due to changes in the values of cash and cash equivalents which are denominated in Canadian dollars, as detailed in the above tables.

Based on the financial instruments held at June 30, 2014, had the Australian dollar weakened / strengthened by 10% against the Euro with all other variables held constant, the Group's loss for the year would have been \$12,000 higher / \$10,000 lower (2013: loss \$Nil / loss \$Nil), due to changes in the values of cash and cash equivalents which are denominated in Canadian dollars, as detailed in the above tables.

Interest rate risk

The Group's main interest rate risk arises in relation to its short-term deposits with various financial institutions. If rates were to decrease, the Group may generate less interest revenue from such deposits. However, given the relatively short duration of such deposits, the associate risk is relatively minimal. As at balance date, the Group has no debt or hire purchase liabilities on which interest expense is charged.

The Group has a Short Term Investment Policy which was developed to manage the Group's surplus cash and cash equivalents. In this context, the Group adopts a prudent approach that is tailored to cash forecasts rather than seeking the highest rates of return that may compromise access to funds as and when they are required. Under the policy, the Group deposits its surplus cash in a range of deposits over different time frames and with different institutions in order to diversify its portfolio and minimise overall risk.

On a monthly basis, Management provides the Board with a detailed list of all cash and cash equivalents, showing the periods over which the cash has been deposited, the name and credit rating of the institution holding the deposit and the interest rate at which the funds have been deposited. A comparison of interest rate movements from month to month and a variance to an 11am deposit rate is also provided.

At June 30, 2014, if interest rates had changed by +/- 50 basis points from the year-end rates, with all other variables held constant, the Group's equity, relating solely to the movement in profit and loss for the year, would not have changed materially. The Group's main interest rate risk during the years ended June 30, 2013 and 2014 arose in respect of fixed rate borrowings with interest rates that did not fluctuate.

30. FINANCIAL RISK MANAGEMENT CONTINUED

Interest rate risk CONTINUED

The exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognized and unrealised, for the Group is as follows:

Consolidated	Year	Floating rate \$	Fixed rate \$	Carrying amount \$	Weighted-average rate %	Maturity period days
Financial assets						
Cash and cash equivalents	2014	3,291,355	3,552,842	6,884,197	3.24%	At call
	2013	737,978	-	737,978	2.15%	At call
Performance bond / deposits	2014	-	50,716	50,716	-	At call
	2013	-	12,312	12,312	-	At call
Totals	2014	3,291,355	3,603,558	6,894,913		
	2013	737,978	12,312	750,290		
Financial liabilities						
Interest-bearing liabilities	2014	-	-	-	-	-
	2013	-	10,147,143	10,147,143	18.82%	58
Totals	2014	-	-	-		
	2013	-	10,147,143	10,147,143		

Notes: All periods in respect of financial assets are for less than one year.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities, such as its hire purchase and credit card facilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and, wherever possible, matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying business, Management aims to maintain flexibility in funding by keeping committed credit lines available. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets.

A balanced view of cash inflows and outflows affecting the Group is summarized in the table below:

Consolidated	Year	< 6 months \$	6 to 12 months \$	1 to 5 years \$	> 5 years \$	Totals \$
Financial liabilities						
Trade and other payables	2014	1,022,823	-	-	-	1,022,823
	2013	742,777	-	-	-	742,777
Interest-bearing liabilities	2014	-	-	-	-	-
	2013	10,147,143	-	-	-	10,147,143
Total financial liabilities	2014	1,022,823	-	-	-	1,022,823
	2013	10,889,920	-	-	-	10,889,920

30. FINANCIAL RISK MANAGEMENT CONTINUED

Classification of financial instruments

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Company's financial assets and liabilities as at June 30, 2014 (as set out above) approximate their carrying values due to the short term nature of these instruments.

Borrowing facilities

The Group had access to the following borrowing facility as at June 30, 2014:

Nature of facility	Facility limit \$	Amount used \$	Amount available \$
Credit card facility	25,000	(7,024)	17,976

31. SUBSEQUENT EVENTS

On June 23, 2014, the Company announced that it had closed an initial tranche (the "First Tranche") of a private placement (the "Private Placement") to sophisticated and institutional investors. Pursuant to the First Tranche, Simavita raised a total of \$3,099,003 (before the payment of associated costs) by issuing 6,886,673 common shares and CHESS Depositary Interests ("CDIs") in the Company at an issue price of \$0.45 per Share and CDI. The shares and CDIs were issued on June 30, 2014. Each CDI issued in Australia represents one common share of Simavita and ranks equally with existing CDIs.

The above Private Placement also consisted of a subsequent tranche (the "Second Tranche") which was subject to shareholder approval. Such approval was sought and received at a Special Meeting of the Company's shareholders held on July 23, 2014. As a result, a total of 6,502,216 common shares as CDIs were issued on July 30, 2014 at an issue price of \$0.45 per share/CDI, raising a total of \$2,925,997, before the payment of associated costs.

In addition to the above capital raising, the Company conducted a capital raise only in Australia via a CDI purchase plan (the "SPP") to raise up to an additional \$1,080,000 at an issue price of \$0.45 per CDI. The SPP offer opened on June 26, 2014 and closed on July 25, 2014. Pursuant to the terms of the SPP, the Company issued a total of 1,572,201 common shares as CDIs to those who subscribed under the SPP. The shares/CDIs were issued on July 30, 2014 at an issue price of \$0.45 per share/CDI, raising a total of \$707,490, before the payment of associated costs.

The proceeds from the Private Placements and the SPP will be used to: (i) accelerate the roll-out of Simavita's current technologies in the US and European markets; (ii) accelerate the development of the Company's SIM™ Generation 5 (cloud compatible) product and SIM™ Community Care (home-based) product; (iii) appoint distributors to roll-out SIM™ Generation 4 in Europe; (iv) acquire and develop complimentary intellectual property; and (v) for general working capital purposes.

All CDIs issued pursuant to the Private Placement and SPP are fully tradeable and listed on the Australian Securities Exchange. The Shares issued pursuant to the Private Placement that are listed on the TSX Venture Exchange are subject to a statutory four month hold plus one day commencing from the date of issuance.

On August 26, 2014, the Company granted a total of 1,237,500 options over the Company's common shares to various employees of the Company. Each option, which entitles the holder to acquire one common share at a price of \$0.70 per share, was granted at no cost. The options, which vested immediately upon the date of grant, have an expiry date of August 31, 2018.

Apart from these transactions, there were no events that have occurred subsequent to balance date that have not been disclosed elsewhere in these financial statements.

PricewaterhouseCoopers Audit Opinion



To the Shareholders of Simavita Limited

We have audited the accompanying consolidated financial statements of Simavita Limited and its subsidiaries, which comprise the consolidated statements of financial position as at 30 June 2014 and 30 June 2013 and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Simavita Limited and its subsidiaries as at 30 June 2014 and 30 June 2013 and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

(Signed) "PricewaterhouseCoopers"

PricewaterhouseCoopers
Chartered Accountants

28 August 2014
Melbourne

PricewaterhouseCoopers, ABN 52 780 433 757

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Corporate Governance Statement

for the year ended June 30, 2014

INTRODUCTION

Simavita Limited (“Simavita” and the “Company”) and its Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review and improve its corporate governance framework and practices to ensure they meet the interests of shareholders. In this statement, the Company and its controlled entities together are referred to as the “Group”.

A description of the Group’s main corporate governance practices is set out below. Unless otherwise stated, these practices were in place from February 20, 2014, being the date on which the Company was admitted to the Official List of the Australian Securities Exchange (“ASX”).

On the whole, the Company complies with the Corporate Governance Principles and Recommendations (including relevant amendments) of the ASX. While in most respects, Simavita complies with the Recommendations, in several areas, policies and practices are being further developed and introduced to bring them more closely into line. As new policies are produced, or as the existing ones are amended, they are published on the Company’s website.

As at the date of this Statement, the following Corporate Governance documents had either been adopted by the Board or were in the final stages of development, in addition to the Company’s Articles which were revised and subsequently approved by the Company’s shareholders in November 2013. All significant policies, once approved, are published on the Company’s website (www.simavita.com).

- ▶ Board Charter, which defines the role of the Board and that of Management;
- ▶ Audit and Risk Sub-Committee Charter;
- ▶ Nomination and Remuneration Sub-Committee Charter;
- ▶ Board Protocol, which clarifies the responsibilities of Directors and the Company’s expectations of them;
- ▶ Code of Conduct, including a Document Retention Policy;
- ▶ Board Performance Evaluation Policy;
- ▶ Risk and Compliance Policy;
- ▶ Continuous Disclosure Policy;
- ▶ Securities Trading Policy;
- ▶ Diversity Policy;
- ▶ Shareholder Communications Policy; and
- ▶ Whistleblower Policy.

ASX PRINCIPLES AND RECOMMENDATIONS

Principle 1: Lay solid foundations for management and oversight

The relationship between the Board and Management is critical to the Group’s success. The Directors are responsible to the shareholders for the performance of the Group in both the short and longer terms and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

The responsibilities of the Board include:

- ▶ providing strategic guidance to the Group, including contributing to the development of and approving the Group’s corporate strategy;
- ▶ reviewing and approving business plans, the Group’s annual budget and other financial plans, including available resources and major capital expenditure initiatives;
- ▶ overseeing and monitoring:
 - organizational performance and the achievement of the Group’s strategic goals and objectives;
 - compliance with the Company’s future Code of Conduct; and
 - progress of major capital expenditures and other significant projects, including any acquisitions or divestments;

Principle 1: Lay solid foundations for management and oversight CONTINUED

- ▶ monitoring the Group's financial performance, including approval of the annual and half-year financial reports and regular liaison with the Company's external auditors;
- ▶ appointment, performance assessment and, if necessary, removal of the Chief Executive Officer;
- ▶ ratifying the appointment and/or removal and contributing to the performance assessment for the members of the Senior Leadership Team;
- ▶ ensuring there are effective management processes in place for approving major corporate initiatives;
- ▶ overseeing the operation of the Group's system for compliance and risk management reporting to shareholders; and
- ▶ ensuring appropriate resources are available to senior Management to enable them to implement the strategies approved by the Board.

Day-to-day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Chief Executive Officer and the Senior Leadership Team. These delegations are reviewed by the Board on an annual basis. Performance appraisals for all members of the Senior Leadership Team last took place in July/August 2014.

Principle 2: Structure the Board to add value

The Board operates in accordance with the broad principles which are being documented in a formal Board Charter that, once approved, will be uploaded to the corporate governance information section of the Company's website (www.simavita.com). The Charter will document details of the Board's composition and responsibilities.

Board composition

The principles to be documented in the Charter state that:

- ▶ the Board is to be comprised of both executive and non-executive Directors with ideally a majority of non-executive Directors. Non-executive Directors bring with them a fresh perspective to the Board's consideration of strategic, risk and performance matters;
- ▶ in recognition of the importance of independent views and the Board's role in supervising the activities of Management, the Chairman must be an independent non-executive Director, the majority of the Board should ideally be independent of Management and all Directors are required to exercise independent judgement and review and constructively challenge the performance of the Senior Leadership Team;
- ▶ the Chairman is elected by the full Board and is encouraged to meet regularly with the Chief Executive Officer;
- ▶ the Company should, where possible, maintain a mix of Directors on the Board from different genders, age groups, ethnicity and cultural and professional backgrounds who have complementary skills and experience;
- ▶ the Board should establish measurable Board gender diversity objectives and assess annually the objectives and progress made in achieving them; and
- ▶ the Board should undertake an annual Board performance review and consider the appropriate mix of skills required by the Board to maximize its effectiveness and its contribution to the Group.

The Board seeks to ensure that:

- ▶ at any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the Group and its activities and directors with an external or fresh perspective; and
- ▶ the size of the Board is conducive to effective discussion and efficient decision-making.

Principle 2: Structure the Board to add value CONTINUED

Directors' independence

The Board has adopted principles in relation to the independence of its Directors. These principles state that, when determining independence, a Director must be a non-executive and the Board should consider whether the Director:

- ▶ is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- ▶ is, or has been, employed in an executive capacity by the Company or any other Group member within three years before commencing his or her service on the Board;
- ▶ within the last three years has been a principal of a material professional adviser or a material consultant to the Company or any other Group member, or an employee materially associated with the service provided;
- ▶ is a material supplier or customer of the Company or any other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- ▶ has a material contractual relationship with the Company or a controlled entity other than as a Director of the Group; and
- ▶ is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's independent exercise of his or her judgement.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount of over five percent of annual turnover of the Group or five percent of the individual Directors' net worth is considered material for these purposes. In addition, a transaction of any amount or a relationship is deemed material if knowledge of it may impact the shareholders' understanding of the Director's performance.

Recent thinking on corporate governance has introduced the view that a Director's independence may be perceived to be impacted by lengthy service on the Board. To avoid any potential concerns, the Board has determined that, as a guide, a Director may not be deemed independent if he or she has served on the Board of the Company for more than ten years. The Board will continue to monitor developments on this issue as they arise.

The Board assesses Director independence each year. To enable this process to occur efficiently, the Directors must provide all information that may be relevant to the assessment.

Board members

As at the date of this Financial Report, three of the Company's four Directors served as non-executive Directors and only one of them (Mr. Damien Haakman) had a relationship (being a major shareholder) which may adversely affect his or her independence. The Company is currently seeking to recruit a further independent Director to join the Board.

Term of office

The Company's Articles specifies that all Directors must retire from office each year. Where eligible, a Director may stand for re-election.

Chairman and Chief Executive Officer ("CEO")

The Chairman is responsible for leading the Board, ensuring that Directors are briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's Senior Leadership Team. The Chairman is encouraged to meet regularly with the CEO. In accepting the position, the Chairman had acknowledged that his role will require a significant time commitment and has confirmed that other positions will not hinder his effective performance in that role.

Principle 2: Structure the Board to add value CONTINUED

Commitment

The Board held nine meetings and passed six circular resolutions during the year ended June 30, 2014. Non-executive Directors are expected to spend adequate time preparing for and attending Board and Sub-Committee meetings and associated activities. The number of meetings of the Company's Board of Directors and of each Sub-Committee held during the year ended June 30, 2014, and the number of such meetings attended by each Director, are disclosed in the table below. From the date of the Company's listing on the ASX to the date of this Report, the full Board met to discuss all matters normally covered by the Nomination and Remuneration Sub-Committee. It is envisaged that this Sub-Committee will meet independently in future years, as required.

Name of Director	Sub-Committees of the Board					
	Directors' meetings		Audit and Risk		Nomination and Rem.	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Peter C. Cook ¹	7	7	-	-	-	-
Philippa M. Lewis ¹	7	7	-	-	-	-
Ari B. Bergman ¹	7	7	-	-	-	-
Damien M. Haakman ¹	7	7	-	-	-	-
Thomas G. Howitt ²	6	6	2	2	-	-
Maxwell C. Lloyd-Jones ³	1	1	-	-	-	-
Dr. Malcolm R. Brandon ⁴	2	2	2	2	-	-
Alison J. Mew ⁴	2	2	2	2	-	-

Notes:

1. Messrs. Cook, Lewis, Bergman and Haakman served as Directors of the Company from November 20, 2013 to June 30, 2014.
2. Mr. Howitt served as a Director of the Company from July 1, 2013 to April 14, 2014.
3. Mr. Lloyd-Jones served as a Director of the Company from November 20, 2013 to January 31, 2014.
4. Dr. Brandon and Ms. Mew served as Directors of the Company from July 1, 2013 to November 20, 2013.

As at the date of this Report, the Company had two Sub-Committees of the Board of Directors: an Audit and Risk Committee and a Nomination and Remuneration Committee. The various individuals who served as members of the two Sub-Committees during the year ended June 30, 2014 were:

Name of Member	Audit and Risk-Period served	Nomination and Rem.-Period served
Peter C. Cook	January 31, 2014 to June 30, 2014	April 15, 2014 to June 30, 2014
Philippa M. Lewis	Not applicable	Not applicable
Ari B. Bergman	April 15, 2014 to June 30, 2014	January 31, 2014 to June 30, 2014
Damien M. Haakman	January 31, 2014 to June 30, 2014	January 31, 2014 to June 30, 2014
Thomas G. Howitt	July 1, 2013 to April 14, 2014	January 31, 2014 to April 14, 2014
Maxwell C. Lloyd-Jones	Not applicable	Not applicable
Dr. Malcolm R. Brandon	July 1, 2013 to December 3, 2013	Not applicable
Alison J. Mew	July 1, 2013 to December 3, 2013	Not applicable

Notes:

1. Dr. Brandon served as the Chairman of the Audit and Risk Sub-Committee from July 1, 2013 to December 3, 2013.
2. Mr. Howitt served as the Chairman of the Audit and Risk Sub-Committee from December 4, 2013 to April 14, 2014.
3. Mr. Haakman served as the Chairman of the Audit and Risk Sub-Committee from April 15, 2014 to June 30, 2014.
4. Mr. Bergman served as the Chairman of the Nomination and Remuneration Sub-Committee from the date of its establishment on January 31, 2014 to June 30, 2014.

Principle 2: Structure the Board to add value CONTINUED

The commitments of all non-executive Directors are considered by the Nomination and Remuneration Sub-Committee prior to the respective Director's appointment to the Board and are reviewed each year as part of the annual Board performance assessment.

Prior to appointment or being submitted for re-election, each non-executive Director is required to acknowledge that they have, and will continue to have, the time available to discharge their responsibilities to the Company.

Induction

The induction provided to new Directors enables them to actively participate in Board decision-making as soon as possible. It ensures that they have a full understanding of the Company's financial position, strategies, operations, culture, values and risk management policies. It also explains the respective rights, duties, responsibilities, interaction and roles of the Board and the Senior Leadership Team and the Company's meeting arrangements.

Conflict of interests

In accordance with the principles to be laid out in the Company's Board Charter, all Directors are required to declare all interests in dealings with the Company and are required to take no part in decisions relating to them. In addition, those Directors are not entitled to receive any papers from the Group pertaining to those dealings. Apart from Mr. Haakman's association with the Company's major shareholder, no such declarations were received from any Director during the financial year.

Independent professional advice

All Directors and members of the Board's two Sub-Committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required, but such approval is not to be unreasonably withheld.

Performance assessment

The Board undertakes an ongoing self-assessment of its collective performance, the performance of the Chairman and of its two Sub-Committees. The assessment also considers the adequacy of the Company's induction and continuing education processes, access to information and the support provided by the Secretary.

Members of the Senior Leadership Team are invited to contribute to this appraisal process. The results and any action plans are documented together with specific performance goals which are agreed for the coming year. The Chairman undertakes an assessment of the performance of Directors and meets with each Director to discuss this assessment.

Board Sub-Committees

The Board has established two Sub-Committees to assist in the execution of its duties and to allow detailed consideration of complex issues. The current Sub-Committees of the Board are the Audit and Risk and Nomination and Remuneration Sub-Committees. Each Sub-Committee is comprised entirely of non-executive Directors and their structures and membership are reviewed on an annual basis.

Each of the Board's two Sub-Committees is in the final stages of documenting its own written Charter setting out its role and responsibilities and that of its members, its composition, structure, membership requirements and the manner in which the Sub-Committee is to operate. Once complete, both of these Charters will be reviewed on an annual basis and be made available on the Company's website. All matters determined by the Sub-Committees are submitted to the full Board as recommendations for Board decisions.

Minutes of Sub-Committee meetings are tabled for review at the subsequent Board meeting. Additional requirements for reporting by the Sub-Committees to the Board will be addressed in the Charter of the respective Sub-Committee.

Principle 2: Structure the Board to add value CONTINUED

Nomination and Remuneration Sub-Committee

The Group's Nomination and Remuneration Sub-Committee consists of Ari Bergman (Chairman), Peter Cook and Damien Haakman. Details of their attendance at meetings of the Sub-Committee are set out in the table above. The Sub-Committee operates in accordance with principles which are to be documented in a formal Charter which, once approved, will be available on the Company's website. The main responsibilities of the members of the Nomination and Remuneration Sub-Committee are to:

- ▶ conduct an annual review of the membership of the Board, having regard to present and future needs of the Company and to make recommendations on Board composition and appointments;
- ▶ conduct an annual review of, and conclude on the independence of, each Director;
- ▶ propose candidates for Board vacancies;
- ▶ oversee the annual performance assessment program;
- ▶ oversee Board succession, including the succession of the Chairman, and review whether succession plans are in place to maintain an appropriately balanced mix of skills, experience and diversity on the Board; and
- ▶ assess the effectiveness of the induction process.

When a new Director is to be appointed, the Sub-Committee prepares a Board skills matrix to review the range of skills, experience and expertise on the Board, and to identify its needs. From this, the Sub-Committee prepares a short-list of candidates with appropriate skills and experience. A number of channels are used to source candidates to ensure the Company benefits from a diverse range of individuals in the selection process. Where necessary, advice is sought from independent search consultants.

The full Board then appoints the most suitable candidate who must stand for election at the Company's next AGM. The Sub-Committee's nomination of existing Directors for reappointment is not automatic and is partly contingent on their past performance, contribution to the effective operation of the Board and the current and future needs of both the Board and Company. The Board and the Sub-Committee are also aware of the advantages of Board renewal and succession planning.

Notices of meetings for the election of Directors comply with the ASX Corporate Governance Council's best practice recommendations.

New Directors are advised of the Company's expectations, their responsibilities, rights and the terms and conditions of their employment. All new Directors participate in a formal induction program which covers the operation of the Board and its Sub-Committees and financial, strategic, operations and risk management issues.

Principle 3: Promote ethical and responsible decision making

Code of conduct

The Company is developing a statement of values and a Code of Conduct (the "Code") which will be endorsed by the Board and which will apply to all Directors. The Code will be regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity and to take into account the legal obligations and reasonable expectations of the Company's stakeholders.

In summary, the Code will require that at all times Directors and employees act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Company policies.

The purchase and sale of Company securities by Directors and employees is governed by the Securities Trading Policy. Such trading is not permitted during the two-month periods immediately following the end of the Company's two financial half-years, i.e. after December 31 and June 30 of each year. Any transactions undertaken by Directors outside of these periods must be notified to the Secretary in advance.

The Code will require employees who are aware of unethical practices within the Group or breaches of the Company's Securities Trading Policy to report such breaches in compliance with the principles to be documented in the Company's whistleblower program which can be done anonymously.

Principle 3: Promote ethical and responsible decision making CONTINUED

The Directors are satisfied that the Group has complied with its policies on ethical standards, including trading in the Company's securities.

Diversity policy

The Company values diversity and recognizes the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has developed and introduced a series of guidelines that are to be documented in a formal diversity policy which outlines its diversity objectives in relation to gender, age, cultural background, ethnicity and other factors. These include requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress made in achieving them.

In accordance with the Company's guidelines and ASX Corporate Governance principles, the Board has established various objectives in relation to gender diversity. The Company's aim is to achieve these objectives over the coming two to three years as relevant positions become vacant and appropriately-skilled candidates are available.

The objectives set by the Board in relation to gender diversity are set out in the following table.

Category	Objective		Actual	
	Number	Percentage	Number	Percentage
Number of women in whole organization	16	50%	16	50%
Number of women in senior executive positions	2	33%	1	17%
Number of women on the Board	1	20%	1	25%

Responsibility for diversity falls on the Nomination and Remuneration Sub-Committee.

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Committee

The Audit and Risk Sub-Committee consists of Damien Haakman (Chairman), Ari Bergman and Peter Cook. Details of their attendance at meetings of the Sub-Committee are set out in the table above. The Sub-Committee operates in accordance with principles which are to be documented in a formal Charter which, once approved, will be available on the Company's website. The main responsibilities of the members of the Sub-Committee are to:

- ▶ review, assess and approve the annual and half-year financial reports and all other financial information published by the Company or released to the Market;
- ▶ assist the Board in reviewing the effectiveness of the organization's internal control environment covering:
 - effectiveness and efficiency of operations;
 - reliability of financial reporting; and
 - compliance with applicable laws and regulations;
- ▶ oversee the effective operation of the Company's risk management framework;
- ▶ recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and assess their performance;
- ▶ consider the independence and competence of the external auditor on an ongoing basis;
- ▶ review and approve the level of non-audit services provided by the Group's external auditors and ensure that it does not adversely impact on the auditors' independence;
- ▶ review and monitor all related party transactions and assess their propriety; and
- ▶ report to the Board on matters relevant to the Sub-Committee's role and responsibilities.

Principle 4: Safeguard integrity in financial reporting CONTINUED

In fulfilling its responsibilities, the Audit and Risk Sub-Committee:

- ▶ receives regular reports from both Management and the Company's external auditors;
- ▶ meets with the external auditors at least twice a year, or more frequently if necessary;
- ▶ reviews the processes the CEO and CFO have in place to support their annual certifications to the Board;
- ▶ reviews any significant disagreements between the auditors and Management, irrespective of whether they have been resolved; and
- ▶ provides the external auditors with a clear line of direct communication at any time to either the Chairman of the Audit and Risk Sub-Committee or, if necessary, the Chairman of the Board.

The Audit and Risk Sub-Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

External auditors

The Company and Audit and Risk Sub-Committee policy is to appoint external auditors who clearly demonstrate both quality of service and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. PricewaterhouseCoopers ("PwC") was appointed as the Company's external auditor during the year ended June 30, 2014. It is PwC's policy to rotate audit lead engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in Note 26 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit and Risk Sub-Committee which is reproduced in the Company's Annual Report.

The external auditor attends the Company's AGM and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit opinion.

Principles 5 and 6: Make timely and balanced disclosures and respect the rights of shareholders

Continuous disclosure and shareholder communication

The Company has principles which are being written into policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities. Once complete, these policies and procedures will include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. These policies and procedures will be made available on the Company's website.

The Secretary has been nominated as the person responsible for communications with the TSX Venture Exchange ("TSX-V") and the Australian Securities Exchange ("ASX"). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the TSX-V, ASX, analysts, brokers, shareholders, the media and the public.

All information disclosed to the TSX-V and the ASX is uploaded to the Company's website as soon as it is disclosed to them. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the TSX-V and the ASX and uploaded to the Company's website. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed and, if so, this information is also immediately released to the Markets.

The Company's website also enables users to provide feedback and has an option for shareholders to register their email address for direct email updates on Company matters.

All shareholders are entitled to receive a hard copy of the Company's Annual and Half-Year Reports which are also available for download on its website.

Principle 7: Recognize and manage risk

The Board is responsible for satisfying itself annually, or more frequently as required, that Management has developed and implemented a sound system of risk management and internal control. Detailed work on this task is delegated to the Audit and Risk Sub-Committee and reviewed by the full Board.

The Audit and Risk Sub-Committee is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. They monitor the Company's risk management by overseeing Management's actions in the evaluation, management, monitoring and reporting of material operational, financial, compliance and strategic risks. In providing this oversight, the Sub-Committee:

- ▶ reviews the framework and methodology for risk identification, the degree of risk the Company is willing to accept, the management of risk and the processes for auditing and evaluating the Company's risk management system;
- ▶ reviews Group-wide objectives in the context of the above mentioned categories of corporate risk;
- ▶ reviews and, where necessary, approves guidelines and policies governing the identification, assessment and management of the Company's exposure to risk;
- ▶ reviews and approves the delegations of financial authorities and addresses any need to update these authorities on an annual basis; and
- ▶ reviews compliance with agreed policies.

The Sub-Committee recommends any actions it deems appropriate to the Board for its consideration.

Management is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system and has to report to the Audit and Risk Sub-Committee on the effectiveness of:

- ▶ the risk management and internal control system during the year; and
- ▶ the Company's management of its material business risks.

Risk management group

The Company's risk management policies and the operation of the risk management and compliance system are managed by the Company's risk management group which consists of selected senior executives and is chaired by the CFO. The Board receives reports from this group as to the effectiveness of the Company's management of material risks that may impede or impact on the Company's ability to meet its business objectives.

Each of the Company's business units report to the risk management group on the key business risks applicable to their respective areas. The review is undertaken by business unit management. The risk management group then consolidates the business unit reports and recommends any actions to the Board for its consideration.

Corporate reporting

In complying with recommendation 7.3, the CEO and CFO make the following annual certifications to the Board:

- ▶ that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and the Group and are in accordance with relevant accounting standards; and
- ▶ that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly

All matters pertaining to the remuneration of Company Directors and employees are overseen and managed by the Nomination and Remuneration Sub-Committee (refer above). Sub-Committee members may receive briefings from external remuneration experts on recent developments on remuneration and related matters.

Each member of the Senior Leadership Team signs a formal employment contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description. This job description is reviewed by the Nomination and Remuneration Sub-Committee on a regular basis and, where necessary, is revised in consultation with the relevant employee.

Further information on Directors' and Executives' remuneration is set out in Note 23 to the financial statements for the year ended June 30, 2014. In accordance with Group policy, participants in equity-based remuneration plans are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements.

The Sub-Committee also assumes responsibility for overseeing management succession planning, including the implementation of appropriate executive development programs and ensuring adequate arrangements are in place, so that appropriate candidates are recruited for later promotion to senior positions.

ASX Additional Information

The following additional information is required by the Listing Rules of the Australian Securities Exchange and is not disclosed elsewhere in this Annual Report. The information provided is current as at September 16, 2014.

The Company's common shares are quoted on the TSX Venture Exchange in Canada. The ticker symbol for the common shares is SV. The Company also has a listing of CHES Depositary Instruments ("CDIs") on the Australian Securities Exchange. The ASX Home Exchange is Melbourne, Victoria. The ASX code for the Company's CDIs is SVA. Each CDI comprises one common share.

DISTRIBUTION OF EQUITY SECURITIES

The numbers of security holders as at September 16, 2014, ranked by size of holding in each range of securities, are as follows:

Ranges	Common shares		CDIs		Combined		%
	Holders	Units	Holders	Units	Holders	Units	
1 – 1,000	193	6,543	3	18	196	6,561	0.01%
1,001 – 5,000	57	15,078	31	25,694	88	40,772	0.06%
5,001 – 10,000	73	322,452	197	1,080,610	270	1,403,062	1.90%
10,001 – 100,000	62	2,053,555	159	5,474,750	221	7,528,305	10.21%
100,001 – 1,000,000	18	4,186,117	27	7,243,747	45	11,429,864	15.50%
1,000,001 and over	8	31,616,953	8	21,702,226	16	53,319,179	72.32%
Totals	411	38,200,698	425	35,527,045	836	73,727,743	100.00%

The number of CDI holders holding less than a "marketable parcel" of CDIs (being 878 CDIs) on September 16, 2014 was 19. The total number of CDIs held by these holders on that date was 11,032.

As disclosed above, as at September 16, 2014, the Company had a total of 73,727,743 common shares on issue, of which a total of 35,527,045 common shares were held in CDI form, representing approximately 48.19% of the Company's total number of issued securities.

TWENTY LARGEST SECURITY HOLDERS

The names of the twenty largest registered security holders, as at September 16, 2014, are:

Rank	Name of registered security holder	Shares	CDIs	Totals	%
1	Dussman Pty. Ltd. <Devonia Investment A/C>	14,024,295	6,079,547	20,103,842	27.27%
2	Dussman Pty. Ltd. <Charolais Super Fund A/C>	6,445,010	-	6,445,010	8.74%
3	HSBC Custody Nominees (Australia) Limited	-	4,065,472	4,065,472	5.51%
4	Sim Finance Pty. Ltd.	3,519,617	-	3,519,617	4.77%
5	BNP Paribas Nominees Pty. Ltd. <DRP A/C>	-	3,111,112	3,111,112	4.22%
6	Thorney Holdings Pty. Ltd.	-	2,439,000	2,439,000	3.31%
7	Citicorp Nominees Pty. Ltd.	-	2,213,334	2,213,334	3.00%
8	Robert James Hutchison and Maryann McKenzie <Inspiration Super Fund A/C>	2,000,085	-	2,000,085	2.71%
9	Dussman Pty. Ltd. <Devonia Investment No. 2 A/C>	1,799,049	-	1,799,049	2.44%
10	Jolimont Lodge Pty. Ltd. <Powell Family Super Fund A/C>	1,572,752	-	1,572,752	2.13%
11	HSBC Custody Nominees (Australia) Limited <No. 2 A/C>	-	1,567,857	1,567,857	2.13%
12	Dussman Pty. Ltd.	1,256,145	-	1,256,145	1.70%
13	National Nominees Limited	-	1,200,000	1,200,000	1.63%
14	Denzil and Sarah Sheldon <Sheldon Family Super Fund A/C>	-	1,025,904	1,025,904	1.39%
15	Dyspo Pty. Ltd. <Super Fund A/C>	1,000,000	-	1,000,000	1.36%
16	UBS Nominees Pty. Ltd.	-	890,686	890,686	1.21%
17	J.P. Morgan Nominees Australia Limited	-	720,556	720,556	0.98%
18	Carl Luke Pastoral Co. Pty. Ltd. <Carl Luke Super Fund A/C>	-	552,922	552,922	0.75%
19	Aggregated Capital Pty. Ltd. <Super Fund No. 2 A/C>	-	500,000	500,000	0.68%
20	Ephpheta Foundation Inc.	-	500,000	500,000	0.68%
Totals – Top 20		31,616,953	24,866,390	56,483,343	76.61%
Remainder		6,583,745	10,660,655	17,244,400	23.39%
Totals		38,200,698	35,527,045	73,727,743	100.00%

SUBSTANTIAL SECURITY HOLDERS

As at September 16, 2014, the names of the only substantial shareholder holding shares representing more than 5% of the Company's total issued capital, who have notified the Company in accordance with section 671B of the *Corporations Act 2001*, is:

Name of substantial shareholder	Number of securities	% held
Damien M. Haakman	31,107,707	42.19%

RESTRICTED SECURITIES

As at September 16, 2014, a total of 12,512,867 common shares were subject to escrow. As a result of the merger transaction involving the Company and Gtech International Resources Limited that closed on December 3, 2013, certain shareholders of the Company holding a total of 25,025,733 common shares were required to enter into value escrow agreements with the TSX Venture Exchange. Pursuant to the value escrow agreement, the securities were released from escrow on a timed release schedule, whereby 25% of the total number of securities are released every six months.

VOTING RIGHTS

The Company is governed by the *Business Corporations Act* (British Columbia). Pursuant to Article 12 of the Company's articles, subject to any special rights and restrictions attached to any shares and to the restrictions imposed on joint shareholders:

- (a) On a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter, has one vote; and
- (b) On a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a personal or other legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

If there are joint shareholders registered in respect of any share:

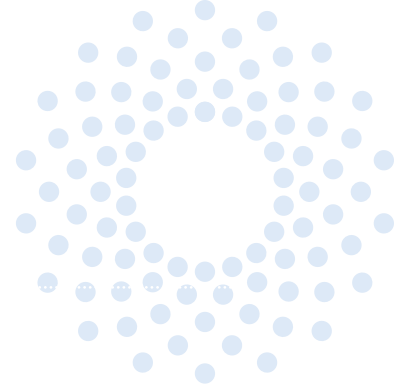
- (a) Any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) If more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

BUSINESS OBJECTIVES

The Company was admitted to the official list of the ASX on 20 February 2014. In accordance with ASX Listing Rule 4.10.19, the Company confirms that its cash assets as at that date have been used in a way consistent with its business objectives.

Corporate Information



DIRECTORS

Peter C. Cook (Non-Executive Chairman)
Philippa M. Lewis (Chief Executive Officer)
Ari B. Bergman (Non-Executive)
Damien M. Haakman (Non-Executive)

SECRETARY

Thomas G. Howitt

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COMPANY WEBSITE

www.simavita.com

AUSTRALIAN REGISTERED BUSINESS NUMBER

165 831 309

COMMON SHARE REGISTER

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CDI REGISTER

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Chartered Accountants
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Bank of Montreal
595 Burrard Street
Vancouver BC V7X 1L7
Canada

BANKER (AUSTRALIA)

Westpac Banking Corporation
694-696 Pittwater Road
Brookvale NSW 2100
Australia

BANKER (USA)

J.P. Morgan Chase Bank
3700 Wiseman Boulevard
San Antonio TX 78251
USA

STOCK EXCHANGES

TSX Venture Exchange
Symbol: SV (common shares)
650 West Georgia Street
Vancouver BC V6B 4N9
Canada

Australian Securities Exchange
Code: SVA (CDIs)
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