Simavita releases 2015 Annual Report

For Immediate Release	**October 28, 2015**

Sydney, Australia – Simavita Limited (ASX: SVA; TSX-V: SV) ("Simavita" or the "Company"), a global leader in the digital healthcare sector, is pleased to release its 2015 Annual Report.

Copies of the 2015 Annual Report may be obtained from the Company by contacting Ms. Katie Turnbull at kturnbull@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 listed below.

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About Simavita

Simavita is a digital healthcare company that has developed an innovative software platform. The first application for the platform is a world first solution for the management of urinary incontinence, with a focus on the elderly. This platform technology is an instrumented incontinence assessment application that provides evidence-based incontinence management care plans to the residential aged care market.

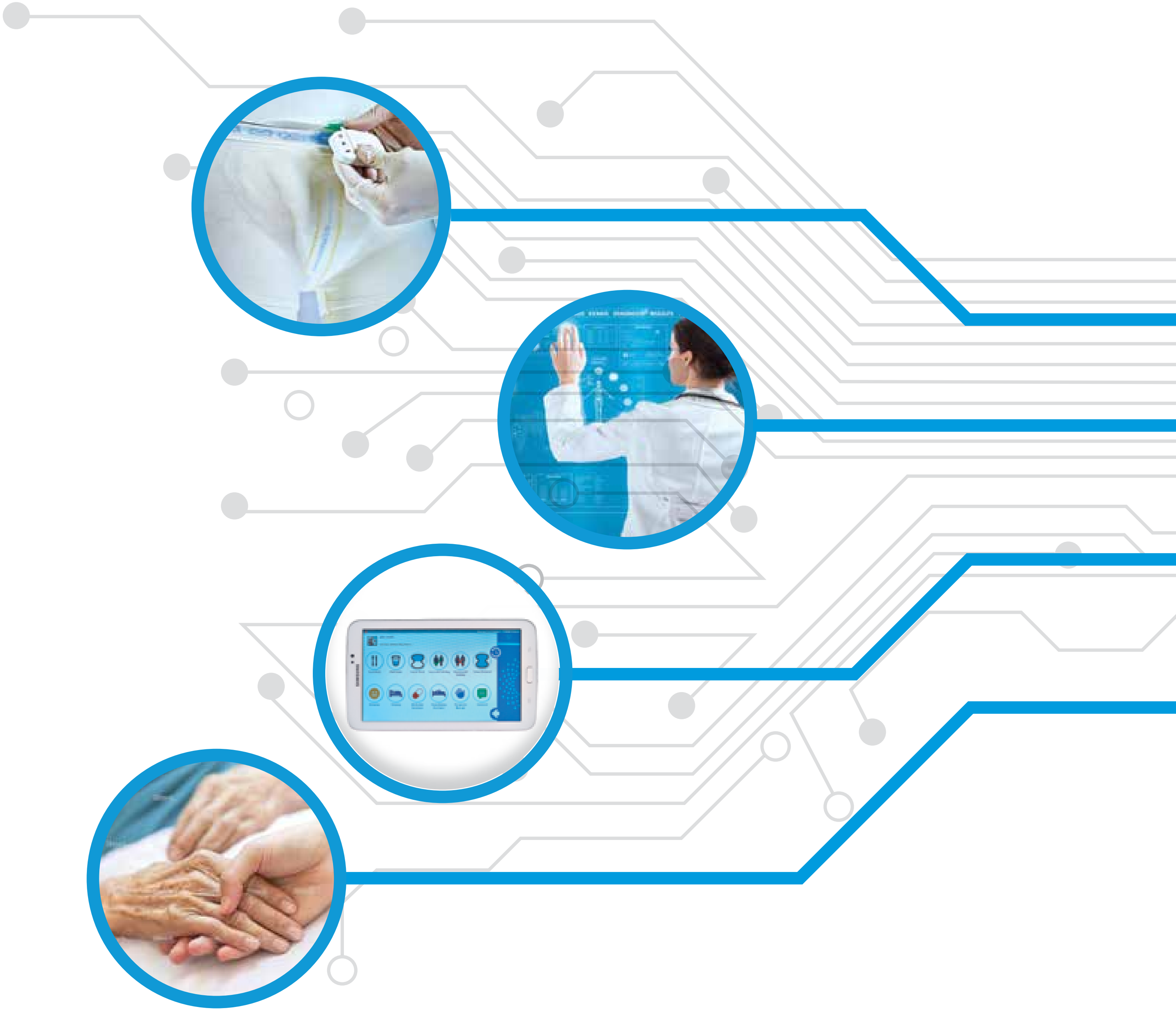
About SIM™

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.

Simavita
gracing life

Digitizing aged care



2015 Annual Report

Simavita
gracing life

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About Simavita

INTRODUCTION

Simavita Limited (ASX: SVA, TSX-V: SV) is at the leading edge of the digital healthcare revolution. Our Smart Incontinence Management (SIM™) system is the first product in the world to displace an ineffective, manual assessment process for incontinence management with a digitised system.

SIM™ – AN ASSISTIVE TECHNOLOGY

Simavita's first digital health application is called Smart Incontinence Management (SIM™). It is a software-enabled individualized incontinence assessment technology which provides evidence-based care plans to the healthcare sector wherever incontinence is prevalent and its management is necessary.

SIM™ delivers a daily improvement in the quality of life for our customers (residents of aged care facilities), as well as a more effective, less costly, less labor-intensive process for aged care facility operators.

The initial application for SIM™ is incontinence management within the booming aged care sector, and with an estimated 400 million incontinence suffers in the western world[1], it is a market with enormous potential. Simavita has commenced distribution across Australia, the United States, Europe and Canada.

1. Incontinence is a medical condition and set of diseases that affects between 4% and 8% of the population or the lives of almost 400 million people worldwide - Global Forum on Incontinence - http://www.gfiforum.com/incontinence

SIM™ – SCALABLE, BIG DATA, CLOUD COMPUTING – A 'DIGITAL' DIAPER PLATFORM

Simavita holds a first mover advantage within the most dynamic and exciting part of the digital healthcare space: wearables and big data.

A Software as a Service (SaaS) business model supports the platform's first application, the 72 hour assessment process. The assessment is mandatory and is conducted on ageing people all over the world when they enter Long Term Care facilities for a range of factors including how mobile, how well and how continent they are.

Wi-fi and cloud enabled, using a combination of a distinctive patented sensor, intelligent algorithms and proprietary desktop and smart device applications, the SIM™ ecosystem collects and interprets data in real time about the wearer and their condition.

For the first time, SIM™ enables aged care workers to create person centred, evidence based care plans that are accurate and, most importantly, constructed to meet the individual needs of each elderly person. Practical, simple and relevant information is the core value of the SIM™ platform.

ACCEPTANCE IN KEY GLOBAL MARKETS, DRIVEN BY NEED

This first application (the 72 hour assessment) is being rolled out across North America, Europe and Australia. Together with small local teams of sales professionals, strategic alliances and distributors, the Company continues to expand its market reach through complementary channels.

A robust customer service model has been established to meet market opportunities. With a growing base of research emerging from customers, confirmation of positive outcomes and risk reduction is becoming evident to all stakeholders.

The SIM™ market is expanding beyond Long Term Care as demand grows for the core product within acute care / rehab and assisted living segments. Requests are also growing from the global community care sector.

SIM™ INNOVATION – FIRST MOVERS, STAYING AHEAD OF THE CURVE

The Company's product development team in Sydney continues to innovate ahead of the technology curve so that the core platform can integrate additional new applications that will potentially deliver additional revenue opportunities to the Company.

Simavita's digital technology is transforming generic care delivery in aged care into personalised service and improved clinical care.

The digital SIM™ platform, now in its fourth generation, was designed in consultation with the aged care industry. Data collection and interpretation is the future of healthcare as self-directed bio feedback through the use of wearables becomes an everyday reality. From individual users to healthcare professionals, consumer directed care will be based on personalized data and it is this data that will be the basis for decision making.

THE IMPORTANCE OF BIG DATA AND INTELLECTUAL PROPERTY

This worldwide collection of information becomes part of the "big data" world where information is not only valuable to the individual but is also extremely important on a large scale to governments, insurers, policy makers, manufacturers, inventors and other important areas of commerce and trade.

Processing data through proprietary software platforms is a core element of the Simavita strategy, not only for incontinence but for many other potential applications.

The SIM™ technology has an expanding intellectual portfolio across many of its components. The Company has committed to investing and expanding its IP and it now has 12 families and patents granted around the world.

SETTING THE FRAMEWORK FOR GROWTH

The Company's head office remains in Sydney, Australia with a total of 45 full time equivalent staff across the world.

Sales and marketing is driven by regional teams of sales executives, clinical and technical specialists in Australia, North America and Europe. The innovation group consists of specialists in IP, software, engineering and mathematics.

The Company's strategy is to leverage its first mover advantage to expand its global reach as quickly as possible. This provides the largest base of users and creates the most favourable environment to progress from being disruptive to becoming ubiquitous, where additional revenue generating applications can be added to the core platform over time.

MILESTONES

During FY2015, Simavita achieved the following significant milestones:

- Successful deployment of Generation 4 into the North American, European and Australian markets
- Transitioned to a SaaS (Software as a Service) business model, making customer pricing more predictable and bringing an ongoing revenue annuity to Simavita
- Generated revenue across three continents – Australia, North America and Europe
- Increased revenue by 122% in comparison with FY14
- Completed "proof point" showcase sites in Canada and Denmark
- Appointed additional distributors across all territories
- Gained regulatory clearance for sale of SIM™ the Canadian market
- Streamlined and decentralized supply chain to achieve efficiencies, including reduced cost of goods
- Drove continued innovation with the core SIM™ application and invested in Applied Research for additional inventive applications
- Expanded patent families and patents granted in target markets
- Successful capital management program to support global expansion.

The Simavita Board of Directors (L to R) Warren Bingham, Craig Holland, Philippa Lewis (CEO), Michael Brown (Chairman), Damien Haakman, Ari Bergman.

Letter from the Chair

Dear Fellow Shareholders

On behalf of the Board of Simavita Limited ("Simavita") we are pleased to present our 2015 Annual Report.

Simavita is fortunate to have a diverse and supportive register of shareholders. Our shareholders include; institutional investors, family offices and other large private investors, aged care industry participants, and smaller private investors. The geographic mix of our shareholders now spans North America, Europe and Asia, including Australia. We are grateful for the support of all our shareholders.

Having joined the Board of Simavita in January this year as Chairman and I would like to extend my thanks to Ari Bergman for his contribution in chairing the Board in an interim capacity prior to that time.

During the year two new directors joined the Board. Craig Holland is a former partner of one of the world's leading accounting groups, and brings the great depth of his financial expertise to the role of Chairman of the Audit and Risk Committee. Warren Bingham joined more recently, and brings relevant industry experience through a foundation role in an innovative medical device company that very successfully developed and commercialized a now global product.

The Board maintains a robust corporate governance process, with each key area subject to at least annual review.

Simavita is an innovative digital healthcare Company with a fully commercialized product, and with sales that have now expanded from Australia to North America and Europe. Our CEO, Philippa Lewis, is to be praised for her vision and persistence in leading the Company to its current position – poised for international growth.

Our initial incontinence assessment and management product is a world first, and is beginning to greatly improve the quality of elder care globally. We are part of the digital healthcare revolution, and we are strongly supported by the aging demographics evidenced across all developed economies.

Soon after becoming Chairman of Simavita we held a senior management and Board strategy workshop to focus on what constitutes our Purpose, Vision, Values and Goals. I am pleased to report that one of the values that came out of the workshop was to "Think like owners", and this approach is now being adopted by our executives and staff.

Another feature of our annual board calendar is participating in a senior management operational planning workshop, as part of the Annual Plan and Budget process. This provided the opportunity for the Board to appreciate the depth and breadth of management in the Company across all areas of; innovation, sales and marketing, operations, and administration. We thank all Simavita employees for their commitment and hard work throughout the year.

With any innovative and disruptive product the path to market is critical and Simavita has been very active in this regard. As well as direct sales and marketing, the Company is working with established distributors, and also integrating with Electronic Records Management and Electronic Care Plan companies in order to become a ubiquitous part of the incontinence care landscape globally.

Our product is now being sold on 3 continents; Australia, North America, and Europe. The 2015 financial year saw revenue improve by over 120% to AUD 779k from AUD 350k in the previous year. Still early days, but certainly trending in the right direction.

Simavita has now created a platform technology which is able to support the addition of further applications which will greatly enhance and expand the efficacy of our core offering to customers. These further applications will also provide a long runway of new product development and revenue uplift for the Company well into the future.

In conclusion, I would like to thank my fellow board members and all our customers, staff, shareholders, and distribution partners and affiliates. We are looking forward to enjoying further success and sustainable growth in the years ahead!

Sincerely,

Michael W. Brown
Chairman

Letter from the CEO

I am delighted to confirm that our global, scalable sensor-based health platform is now taking its place within the most dynamic part of the digital healthcare space of wearables, analytics, and big data.

Our milestones for FY15 reflect the Company's focus on global sales leveraging a SaaS (Software as a Service) business model. Our first application within the SIM™ ecosystem includes the distinctive digital diaper that instruments the 72 hour incontinence assessment conducted on ageing people all over the world when they enter Long Term Care. Wi-Fi enabled and cloud hosted, SIM™ collects and interprets data in real time about the wearer and their condition.

The Company remains steadfast in its focus on broad and rapid distribution across the globe so that the flagship SIM™ instrumented incontinence assessment application moves from being disruptive to ubiquitous as quickly as possible.

Targeted and well qualified distribution partnerships, including Electronic Medical and Electronic Care Plan companies, continue to form a key part of our strategy. The successful completion of showcase sites across Europe and Canada have resulted in revenue streams and product validation from these jurisdictions and the Company continues to grow. Connecting and working with global strategic partners, with established channels to market, allows rapid expansion or "land grab" to occur.

I am pleased to confirm that sales have now commenced across three continents including North America, Australia and Europe. We have expanded our team, adding key executives in marketing, sales, global manufacturing and supply chain. The pipeline of customers is growing and we have signed up aged care groups across these jurisdictions.

We are now showcasing the SIM™ technology in some of the largest Long Term Care providers in the US and have expanded our target market to include the rapidly growing Assisted Living market. Group piloting has become more concise and our conversion from pilot to customer is faster than ever before.

In Australia, we have exciting growth demand for SIM™ from other sectors such as acute care and rehabilitation where we were recently awarded a contract to supply SIM™ into two major hospitals. Customers are recognising the key benefits of SIM™, including dignity, better care, productivity, and risk management.

Our innovation group continues to improve and enhance the core product, and our applied research activities are bringing to the fore opportunities for new applications to the platform. As a result our intellectual property portfolio has expanded, with a significant increase in filings and granted patents.

As a first mover in our field, Simavita's smart, patented algorithms continue to underpin the Company's distinctive advantage.

The Company is now working together with our customers around the world to prepare and publish research across a variety of clinical areas. For example, falls, skin integrity and urinary tract infections cause much suffering to elderly residents. These events are to some extent preventable and result in very significant costs to the healthcare system. There are numerous white papers being developed that contain "in field" evidence of exceptionally positive outcomes in respect of risk reduction as a result of using SIM™ technology.

The first of its kind, the SIM™ ecosystem creates person-centred and evidence based care plans that are accurate and tailored to the individual. Practical, simple and powerful data is the core value of the SIM™. This information is valuable to many varied stakeholders and it cannot be secured without the digital process of SIM™.

The digital healthcare industry is now endowed with a unique and powerful technology that has the capacity to deliver major step change and reduce the suffering of elderly people. Now ageing people around the world have the opportunity to have their dignity and general health preserved and enhanced, and to live as independently as possible for as long as possible.

Our future looks very bright, with growing sales of the first application; initiatives for expansion into other healthcare sectors; an ever expanding suite of applications to come forward resulting in an extended intellectual property portfolio; a powerful base for data collection; a streamlined, decentralised supply chain; and strategic partner relationships across the world, working to broaden our channels to market.

The entire Simavita team has contributed to our success. Their hard work and dedication to the Company must be acknowledged as their individual efforts underscore our collective achievements. In readiness for the challenge ahead, it's good to know that we have in abundance the one thing that cannot be bought into a company and that's passion!

Finally I wish to thank our Board of Directors for their continued support and guidance. A successful company is assured when a strong and experienced board is at the helm.

I commend to you Simavita's 2015 Annual Report.

Sincerely,

Philippa M. Lewis
CEO

Industry Overview

THE DIGITAL HEALTHCARE REVOLUTION

"Technology has long been a valued resource in healthcare, but adoption has been slower than in other industries. Now, more than ever it is critical to embrace technology, as it has become a must have tool for transforming patient engagement, enabling personalized medicine – augmenting labor and contributing to better outcomes.

Health consumers, providers and payers are embracing the transformational power of technology, and it's paying off in unprecedented efficiency and effectiveness across the care ecosystem."

Accenture Healthcare IT Vision 2015

Simavita is a digital healthcare company with one of the most innovative and unique solutions for the global aged care market.

"Healthcare, the largest sector in the US economy, is going through arguably its greatest transformation. Led by the digital revolution that has "blown to bits" other sectors – like the media sector over the past two decades – powerful external forces are now restructuring the healthcare sector, creating winners and losers."

Steven Wardell, Digital Healthcare Partner,
Leerink Partners LLC Equity Research

Remote monitoring of aging people is a rapidly growing solution, creating new protocols for care, risks and costs.

US investment in the digital healthcare sector exceeded USD$3 billion in 2014, and continues to grow.

Goldman Sachs analysts, in a 30 June 2015 report, predicted that digital healthcare will revolutionize the healthcare industry, both by increasing access to diagnostic, treatment, and preventive care, and by dramatically reducing costs. The report goes on to say that "connected and digital health offer the most commercially viable potential to change the US healthcare economy as it is currently orchestrated."

The growth of the digital health space is supported by healthcare and payment reform, and federal incentives. The clear objective is "costs out" of the system without sacrificing quality of care. Simavita is well placed to not only reduce healthcare costs but to provide enhanced clinical outcomes at the same time in a rapidly expanding global market.

"The emerging field of connected or digital healthcare is rapidly becoming a reality and has the potential to wedge itself into a staid system that has been adverse to change."

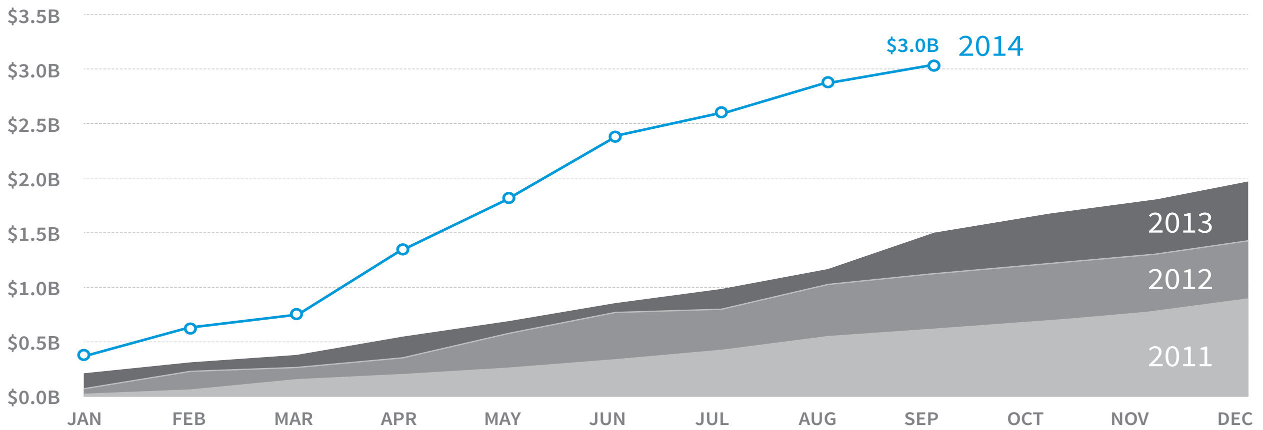
Goldman Sachs report
The Digital Revolution Comes to US Healthcare

"The first wave of Healthcare IoT (internet of things) that prove successful will be those that drive specific action to improve patient care and correspondingly reduce waste and cost."

Goldman Sachs report
The Digital Revolution Comes to US Healthcare

THREE IN THREE

venture funding of digital health companies (2011-Q3 2014)



Source: Rock Health funding database
Note: Only includes deals >2M

WEARABLE TECHNOLOGY

Wearable technology is clothing or accessories incorporating computer and advanced electronic technologies. Wearable devices are a good example of the Internet of Things, since they are part of the network of physical objects or “things” embedded with electronics, software, sensors and connectivity to enable objects to exchange data with a manufacturer, operator and/or other connected devices, without requiring human intervention.

Wearable technology is an expanding category, providing convenient mobile monitoring for health and wellness purposes. Digitizing and monitoring the care of the elderly, including delivering data to clinicians and caregivers, is an important strategy to maintain quality of life.

The wearable electronics market is forecast to increase from over USD 20 billion in 2014 to over USD 70 billion by 2025 (IDTechEx 2015), with the dominant sector remaining healthcare which merges medical, fitness and wellness.

“The future of wearables is not wearables, per se… it’s more about analyzing and using that data…. people…want more valuable, actionable insights.”

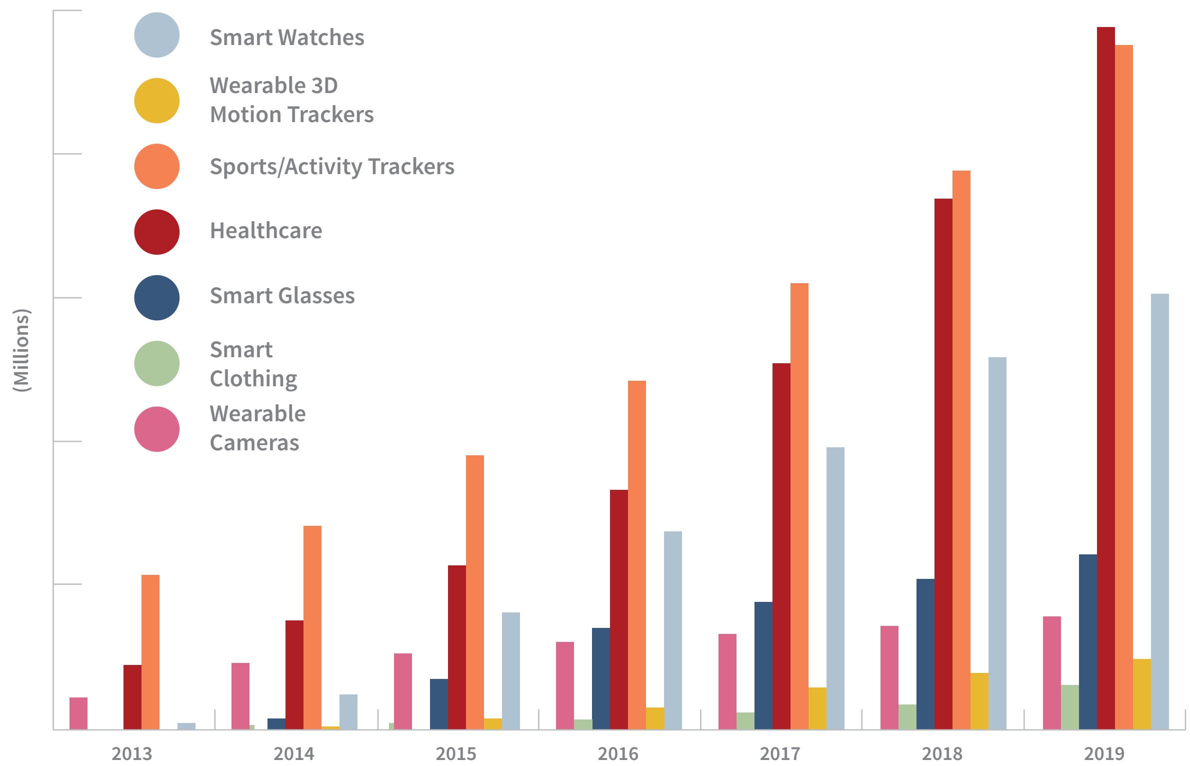
Riaan Conradie, LifeQ CEO, the Guardian, January 2015

Sensors used in wearable electronic devices are forecast to rise by a factor of seven from 2013 through 2019, as illustrated in the diagram below.

The SIM™ ecosystem fits squarely into the wearable space. The body-worn (wearable) digital diaper contains a sensor that collects and interprets data. Through the expanded connectivity of Wi-Fi, this data is processed via smart algorithms to provide important analytics to healthcare professionals.

GLOBAL WEARABLE COMPUTING DEVICES

World Market, Forecast: 2013-2019



Source: ABI Research

https://www.abiresearch.com/analyst-insider/archive/56/

THE ETHICS AND PRIORITIES FOR AGEING

The World Health Organization's proposed vision as stated in its 'Global Strategy and Action Plan on Ageing and Health' is:

A world in which everyone experiences Healthy Ageing.

Healthy Ageing is defined as the process of developing and maintaining the functional ability that enables well-being in older age.

The Global Strategy and Action Plan on Ageing and Health focuses on what can be done, so that all older adults can enjoy the right to health, dignity, autonomy and participation, irrespective of where they were born or live, their social or economic status, heath conditions or genetic inheritance.

This vision and approach by the World Health Organization acknowledges the very significant economic challenge that is posed by the increase in older adults that will occur across the world in future decades. It also recognizes the need to foster health in older age in order to support older people remaining in their homes and communities. The scale of the challenge is well known with the proportion of the world's population over 60 years predicted to double from about 11% to 22% between 2000 and 2050 (United Nations, DESA. World population prospects: The 2015 revision, key findings an advanced table).

In developed economies, aged care expenditure as a percentage of Gross Domestic Product is growing dramatically and will continue to do so.

At the forefront of the aged care provision challenge is the inability to effectively assess and manage conditions such as dementia and incontinence and to cut costs, while at the same time improving clinical outcomes.

INCONTINENCE WORLDWIDE

"Incontinence affects the lives of almost 400 million people worldwide."

Global Incontinence Forum

As life expectancies increase, so does the number of people affected by incontinence. These percentages are especially high amongst the residents of long-term care facilities.

The prevalence of incontinence suffered by aging people in Long Term Care in the US is over 70% and this figure is forecast to climb with an accelerating ageing population (See Prevalence of Incontinence in aging Americans; Centre for Disease Control, www.cdc.org).

These figures are even higher in other developed countries.

INCONTINENCE IN LONG TERM CARE SETTINGS

As labor constitutes around 70% of the cost of running a Long Term Facility and at least half of that labor's time is spent on personal care, incontinence is commonly regarded as the most expensive part of the care of elderly people. It is considered to be an area of critical physical and psychological importance for the care provider, the carer as well as the elderly person and their loved ones.

Urinary incontinence is also a common risk factor for falling. A study into injuries occurring in aged care facilities as well as premature deaths found that 80% were caused from falls (see Aged Care Institute 2015). Regular individualized toileting should be in place for residents at risk of falling, as part of multifactorial intervention (see 'Preventing Falls and Harm from Falls in Older People; Best Practice Guidelines for Residential Aged Care Facilities Australia').

There is a need to harness new cost-effective, assistive technologies that offer opportunities for productivity gains and higher quality care as well as reducing the strain on the ever increasing demand for care workers.

Due to the expected labor shortages in the aged care sector, it is anticipated that productivity gains would need to be in the order of 20% to 30% per annum to maintain the current level of service to ensure proper care and prudent risk management.

Deloitte Centre for Health Solutions has observed that technology-enabled care is capable of providing cost-effective solutions at a time when the demands on health and social care services continue to increase.

"Population ageing is transforming economies and societies across the world."

Global Age Watch Index 2015

MANDATED 72 HOUR ASSESSMENTS

General assessments including incontinence assessments within Long Term Care are mandated across the world. The global group, InterRai (the "International Resident Assessment Instrument", or "InterRAI" www.interrai.org) is the academic, research and quality measurement protocol adopted in most western countries. InterRai is the most commonly accepted benchmark in a variety of aged care settings. The US MDS 3.0 or Minimum Data Set has been formed by the InterRai protocol and the User Manual quotes "Each resident who is incontinent or at risk of developing incontinence should be identified, assessed, and provided with individualized treatment".

INCONTINENCE, QOL (QUALITY OF LIFE) AND THE ELDERLY

For aging people and their carers, incontinence is the most complex challenge. It causes a great many physical and psychological consequences including depression, (see Jodie C Avery et al; “Identifying the quality of life effects of urinary incontinence with depression in an Australian population” “Depression and incontinence both reduce quality of life (QOL). When they occur together there appears to be an additive effect which affects both physical and mental health, perhaps by increasing a person’s negative perceptions of their illness. Clinicians should identify and manage comorbid depression when treating patients who have incontinence to improve their overall QOL”).

Incontinence in the elderly can lead to isolation, loss of dignity as well as early entry into care for the elderly. For providers and their workforce, it is by far one of the most risky, challenging and costly element of the caring process.

The association between incontinence and falls, UTIs (Urinary Tract Infections) and skin integrity (wounds, pressure ulcers) has long been identified as comorbid.

(See "Relationship between incontinence and falls among frail elderly women in Japan" by Takazawa K, Arisawa; “Subjects who had mixed incontinence were 3.05 times more likely to fall than those without”).

Skin Integrity – Skin damage as a result of exposure to excessive moisture is defined as a skin lesion associated with incontinence and not caused by pressure or shear, and can be referred to as incontinence associated dermatitis (IAD). The management of incontinence requires individual assessment of the causes of the problem.

‘Best Practice Statement Care of the Older Person’s Skin’, Wounds International (www.woundsgroup.com)

Incident costs will vary depending on the severity of the skin lesions; SIM™ technology helps to minimize these costs, and the likelihood of skin lesions, by ensuring nurses have high quality data to drive an effective care plan that can help to keep skin drier.

THE GLOBAL INCONTINENCE MARKET

Some key facts and figures include:

400 million[1]	people in the western world are incontinent
15+ million	incontinence assessments are performed per annum in Long Term Care only
USD 6 billion	assessment labor costs per annum in Long Term Care only
USD 9 billion	continence products sold per annum in Long Term Care is increasing to USD 30 billion by 2030
25%+	of labor 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

1. Incontinence is a medical condition and set of diseases that affects between 4% and 8% of the population or the lives of almost 400 million people worldwide - Global Forum on Incontinence - http://www.gfiforum.com/incontinence

Incontinence is commonly thought of as being the most expensive part of the care of elderly people.

SIM™ Technology

WHAT IS SIM™ TECHNOLOGY?

The Company's Smart Incontinence Management (SIM™) solution incorporates a unique digital sensor technology that collects and interprets information needed in the formation of care plans for the elderly people. The current manual process is inaccurate and highly labor intensive for staff where a one to two hourly check and change of the diaper is conducted during the 72 hours which is very upsetting and disruptive to residents.

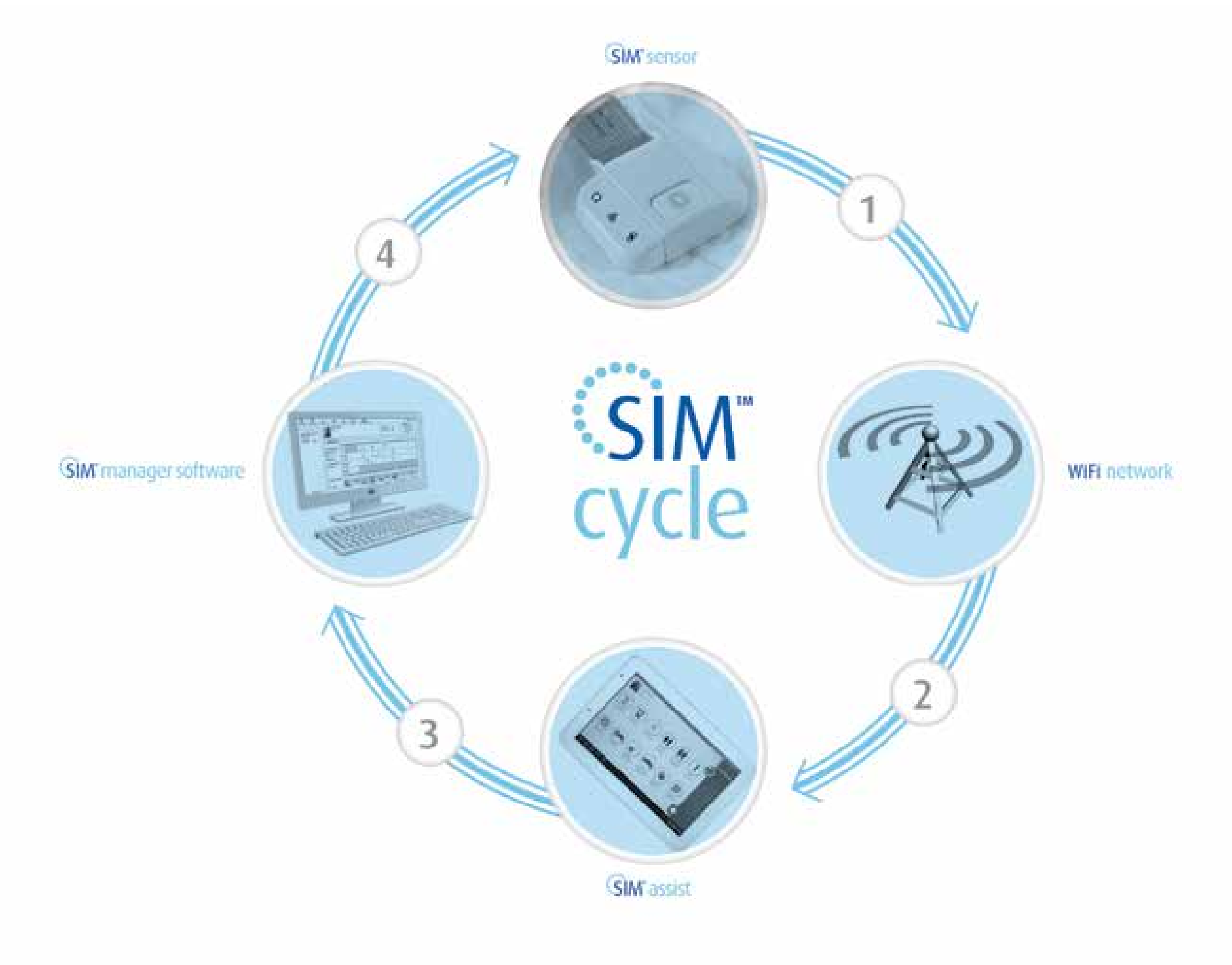
SIM™ takes assessments from being manual, inaccurate and not personalized to being instrumented, creating an evidence-based incontinence profile. Unlike the manual process, patients and residents are respected throughout the process with far less interruptions, where the diaper is changed only 3 - 4 times in a 24 hour period. The SIM™ software, together this the unique digital diaper, results in a real-time live bladder diary which forms the basis of the SIM™ plan, the digital care plan for the individual based on the data collected and analyzed by the algorithm.

This is important because assessment data is integral for controlling costs and delivering improved health care outcomes. Conducting incontinence assessments is an accepted or mandated practice globally.

It is estimated that at least 15 million manual assessments are currently performed annually in Long Term Care alone.

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

- an evidence-based incontinence report that creates an individualized toileting program for residents;
- support for appropriate urinary incontinence product allocation (diapers or pads);
- 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").



THE SIM™ CUSTOMER

The SIM™ customer is the beneficiary of a unique technology. The SIM™ value proposition comprises four key pillars. The first three pillars are the reduction of risks, improved operational efficiency as well as enhanced clinical outcomes. The fourth pillar is the overarching element of the SIM™ value proposition - the preservation of self-esteem and dignity of the elderly or disabled person. This is consistent with the World Health Organisation vision for Ageing, this fourth pillar and cannot be ignored.

In order to stay competitive and deliver appropriate care to elderly residents, Long Term Care facilities will need to introduce evidence based solutions which create individualized care plans for residents, reduce costs and improve time efficiencies. SIM™ is perfectly placed to address this need.

In summary, the customer and user benefits include:

Risk reduction

- Digital data provides evidence of a resident or patient's actual condition – validates funding, care protocols, and provides a litigation shield;
- Using SIM™ enhances the reputation of a facility and hence can increase occupancy – revenue protection; and
- Less risk of acute care entry due to preventable accidents (falls) and negative outcomes (UTIs, skin breakdown).

Clinical

- Reduction in falls, urinary tract infections and skin issues related to residents with incontinence;
- Optimized incontinence product usage, personalized toileting programs;
- Individualized care plans based on integrated live time data; and
- Fewer continence related health impacts.

Financial

- Revenue uplift due to increased occupancy and funding validation;
- Care staff able to do more within the shift due to the personalized toileting program (no longer rostered);
- Reduced direct cost for continence aids;
- Reduced costs from associated health issues (skin integrity issues, falls);
- Reduced laundry costs;
- Reduced costs due to reduced acute care entry from falls; and
- Lower agency cost due to improved staff retention.

Organizational

- Improved staffing availability from optimizing continence care time;
- Improved staff engagement to provide valuable, caring activity; and
- Reduced compliance and accreditation risk.

Environmental

- Reduced waste from lower capacity diapers or pads and reduced over use of consumables.

FALLS PREVENTION AND SIM™

The link between falls and incontinence is widely acknowledged. In 2012, a study by Foley et al highlighted the fact that incontinence leads to falls in those people > 70 years. The higher the degree of incontinence the higher the risk of falling. A study into injuries occurring in aged care facilities as well as premature death found that 80% were caused from falls (see Aged Care Institute 2015). Regular individualized toileting should be in place for residents at risk of falling, as part of multifactorial intervention (see Preventing Falls and Harm from Falls in Older People; Best practice guidelines for Residential aged care Facilities Australia)

"There is no other product like this. SIM™ takes away the guesswork. What we can learn in three days is monumental. If we can decrease someone's falls from five in a month to zero, the savings are huge".

Cheryl, Director of Nursing, Lorien Health Systems US

Falls – An elderly person attempting to get to a toilet in a hurry, without assistance, is at a higher risk of an accidental fall. SIM™ helps to mitigate this risk by aligning toileting programs with physiological need (based on an accurate SIM™ assessment voiding diary). The average hospital cost for a fall injury in the US is $35,000, and costs increase with the age of the resident.

'Costs of Falls Among Older Adults', Centers for Disease Control and Prevention (www.cdc.gov)

Simavita's Business Across Global Markets

SaaS BUSINESS MODEL

Acceptance of SaaS (Software as a Service) business models is increasing within healthcare. Data collection and interpretation platforms are taking their rightful place within the budgets of many healthcare sectors. Subscription frameworks create predictable costing models where the customer has a fixed cost per month and the provider of the SaaS, in turn, receives contracted revenue as part of a recurring annuity stream.

SIM™ is sold as a SaaS model with consumables provided as part of the annual contract. The Company is developing strategic alliances with other SaaS based businesses offering wide distribution channels within various healthcare sectors. Seamless integration creates opportunities for expansion with added value offerings for all parties including the customer, who does not wish to have the risk or inefficiency of double data entry.

Companies offering Electronic Medical Records as well as Electronic Care Plans are seeking to integrate with SIM™ and this will, in time, assist awareness and uptake of the SIM™ technology. The Company is currently engaged in this process around the world with various strategic partners.

Sales Model

As Simavita's business has grown it has adopted a broader range of go to market models. These include:

- Direct sales
- Sales through distributors
- Resale by Electronic Medical Records (EMR) or Electronic Care Plan (ECP) companies

Direct sales

Simavita currently has direct sales teams in Australia and North America. Recruitment for the European team has commenced to support the Company's current and future sales activities across Europe.

North America

With over 17,000 skilled Long Term Care facilities and 22,000 assisted living facilities, the North American market remains the largest single aged care market in the world. The technology is now getting traction with a growing base of customers who are generating quality "white papers", the publication of which is helping to drive demand.

The Company's own team has grown, incorporating sales, technical and clinical specialists. Together with distribution partners like Medline Inc. and others, the Company has a direct sales approach to customers. With a growing pipeline of customers to manage, controlling our negotiations with customers and contracting directly with them, our team is making great headway converting pilots to supply agreements with small and large chains of healthcare systems across the US and Canada. Pilot conversions to supply agreement are growing and the Company is conducting advanced pilot programs with some of the country's larger long term care chains.

During 2015 the Company conducted successful pilots of its SIM™ technology in Ontario, resulting in the execution of a strategic Supply Agreement for SIM™ and sales to its first Long Term Care group in Canada.

Australia

The Australian business continues to be an important part of the Company's future. As a product development center, it provides a perfect testing ground for innovation and invention. The loyal base of growing customers is now the proof point for market expansion.

During the year, the Australian team has upgraded customers to the latest generation of technology as well as continuing to rollout the SIM™ solution to a number of aged care groups nationally.

Expansion into acute care has now commenced. Simavita has been awarded a contract to participate in a two year innovation project funded by Queensland Health. This contract continues over two years and it is material in dollar value. This contract only covers two hospitals and indicates the size and potential of the market opportunity.

Incontinence is a major disability suffered by those who have experienced head injury, stroke and those undergoing rehab; recovery of their continence has a direct effect on their length of stay and quality of life. This project aims to reduce hospital day stays and to improve the patient's incontinence as part of an active rehabilitation process. The potential within the acute care rehabilitation market in Australia alone is large with more than 350,000 bed days per annum in New South Wales alone; the potential for assessment for bladder retraining is large.

Europe

The European sales model is similar to North American and Australia which includes a combination of non-exclusive distributors together with our own focused team of sales professionals. The Company has appointed a team across Europe, comprising sales, clinical and technical specialists. Direct sales activities will commence in the second quarter of FY2016.

Distributors

Simavita now has new non-exclusive distribution agreements in place with a number of corporations across North America, Europe and Australia. These agreements provide an important additional sales channel to enable Simavita to extend its reach, and provide each distributor with an opportunity to offer their customers a superior approach to continence management.

The establishment of our first European market occurred during this financial year with the completion of a set of successful trials in Denmark. After the appointment of local distribution partner Abena Holdings A/S, the municipality of Copenhagen reviewed the technology across a number of sites. As a result of the success of the review, the first orders for SIM™ from Danish customers were received, generating the Company's first European revenues.

SIM™ assessments conducted as part of a trial were compiled into a report for review by the Danish Government, for consideration as a best practice approach to incontinence management.

The trial focused on three elements: the resident, the nursing staff and the IT system. Significant outcomes from the trial as expressed in the report were as follows:

- The customer expressed the view that the SIM™ system is easy to work with.
- 60% of the residents assessed are now wearing a smaller sized pad during the day.
- Over 25% of the residents assessed are now using a smaller sized pad during the night.
- Post assessment, a reduction in the occurrence of urinary tract infection amongst the residents was observed.
- Post assessment, a reduction in the number of falls amongst these residents was also observed.

Both UTIs and falls are common triggers for entry into acute care (hospitals), which in turn translates to higher costs to the healthcare sector. Now trialing across a number of additional municipalities, the Company anticipates wider distribution to commence across Denmark in second quarter of FY2016.

Other non-exclusive distribution agreements are currently being finalized across a further seven countries and a second set of showcase sites are scheduled to commence in Sweden with additional distributors in second quarter of FY2016.

Recently appointed Australian distribution partners, Bunzl Outsourcing Services Limited and Paul Hartmann Pty Ltd are leaders in the aged care and healthcare market of Australia. This alignment means that the Company's team of sales and clinical specialists are working with these market leaders to expand our channel to market.

Electronic Medical Record (EMR) and Electronic Care Plan (ECP) providers

Simavita has commenced a program of partnering with Electronic Medical Record (EMR) and Electronic Care Plan (ECP) providers around the world. These organizations provide the core software that the hospital or aged care facilities rely on for the day to day management of their patients and residents.

The integration between SIM™ and the EMR and ECP platforms is an exciting strategy for channel growth. Across the US, EMRs are compulsory and the assessment data collected using SIM™ has a natural place on this platform. In Australia, the electronic care plan channel is well advanced where at least 50% or 95,000 beds of Long Term Care have electronic care plans and this is growing each year.

In Europe, the EMR market is forecast to grow from $6.5bn to $7.1bn by the end of 2015. In the UK, the NHS plans to go paperless by 2018. Overall, electronic medical records are growing with the UK and Germany leading the race to have all patients having compatible digital records so their health information can follow them around the health and social care systems by 2018.

As the SIM™ creates the evidence based care plan for clinicians, there is an obvious need for the SIM™ data to seamlessly exist within the ECP ecosystem. SIM™ data value adds for the incumbent EMR and ECP SaaS businesses because it creates accurate, high quality base line information. For Simavita, access to the market through an already established SaaS business model is an efficient and effective way of expanding the platform and the channel to market.

Urinary Tract Infections (UTIs) – The urinary tract is one of the most common sites of healthcare-associated infections, accounting for 20% to 30% of infections reported by long-term care facilities in the US.

'Urinary Tract Infection (UTI) Event for Long-Term Care Facilities', Centers for Disease Control and Prevention

A study from Columbia University School of Nursing found that nursing home infection rates are on the rise.

SIM™ provides clarity about physiological urinary output and patterns, providing the best opportunity to drive a person-centred care plan that maximizes the effectiveness of toileting outcomes, and of incontinence product usage, with a consequential minimization, where clinically appropriate, of catheterization. The estimated costs per UTI in the US ranges from $750 - $1,000.

'The Direct Medical Costs of Healthcare-Associated Infections in U.S. Hospitals and the Benefits of Prevention', Centers for Disease Control and Prevention.

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").

CANADA

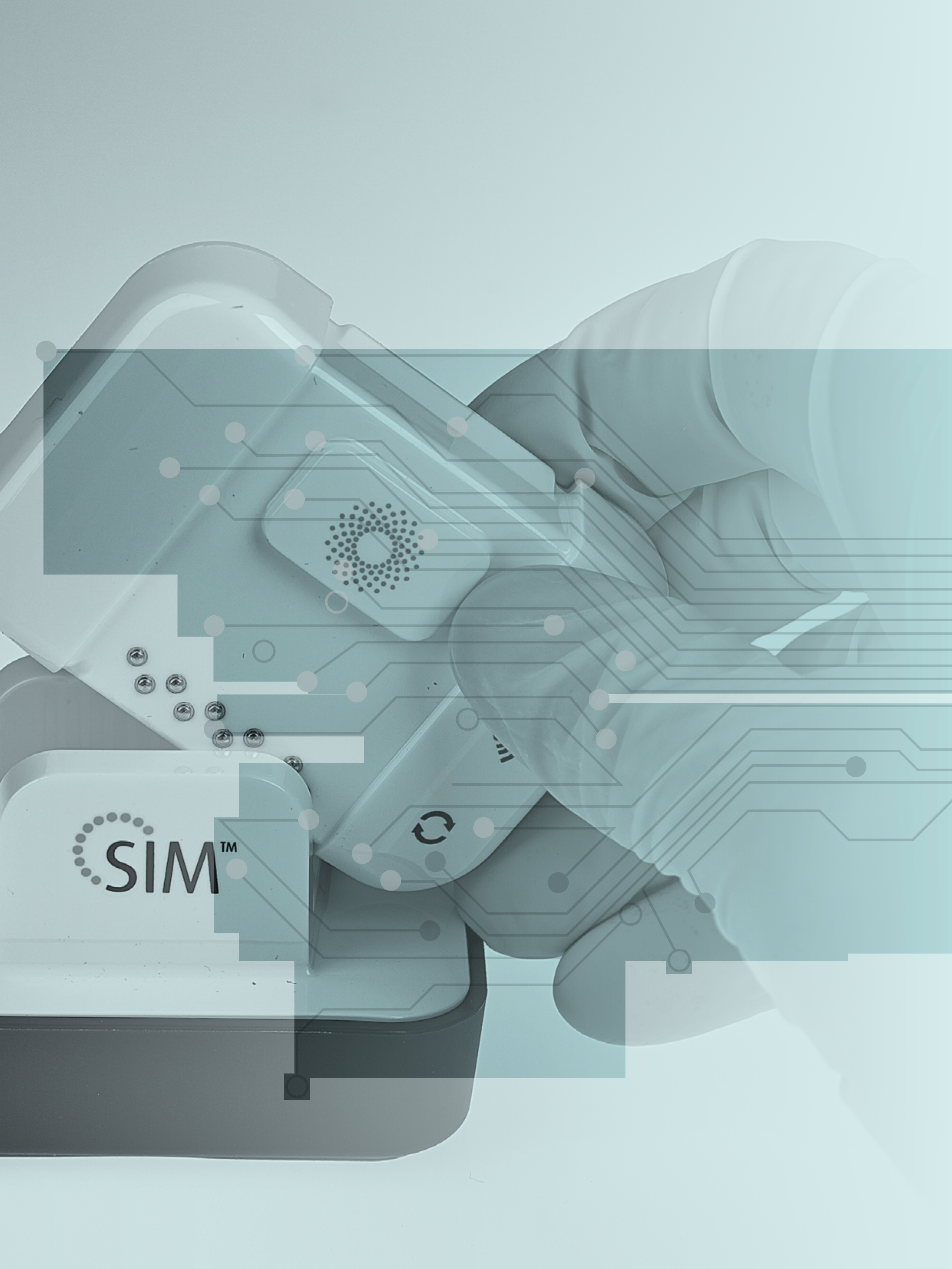
SIM™ is a Class II medical device in Canada. Health Canada granted permission to sell SIM™ in February 2015.

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).


SIM™

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 to-date thirteen (13) filed patent families and an exclusive license to two (2) CSIRO patent families. Pleasingly, the number of the Company's granted and allowed/accepted patents has increased by 156% from the number included in the 2014 Annual Report. 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 enter the national or regional phase in the jurisdictions where patent protection is required.

A 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, much of it commercialized.

Simavita continues to invest in the expansion of its intellectual property portfolio, aligned with overall business objectives, and in further building and strengthening that portfolio, including its know-how and trade secrets.

PATENT PORTFOLIO

The Company's current patent portfolio has been summarized below.

Patent family 2a – Incontinence management system and diaper

This invention relates to a system for managing incontinence, to elements of such a system, and to associated detection, monitoring and treatment systems, methods and apparatus.

Jurisdiction	Patent/Application No.	Status
Australia	2007201952	Granted
United States	7,977,529	Granted
United States	9,107,776	Granted

Patent family 2b – Moisture monitoring system

This invention covers a moisture monitoring system for monitoring wetness in one or more absorbent articles, the system including an input for receiving one or more sensor signals indicative of a presence of wetness in an absorbent article, 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 a user interface for communicating with a user of the system.

Jurisdiction	Patent/Application No.	Status
Canada	2,685,889	In progress
Europe	07718814.2	In progress
Japan	5285600	Granted
China	200780022552.0	Granted
India	4591/KOLNP/2008	In progress

Patent family 3 – Improvements in incontinence monitoring and assessment

This invention covers technical improvements to the SIM system. Claims are directed to a system for monitoring incontinence using a processor, display device, and a remote transmitter unit 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.

Jurisdiction	Patent/Application No.	Status
Australia	2010314813	Granted
Australia	2015200887	In progress
United States	13/508,071	In progress
Canada	2,776,785	In progress
Europe	2496197	Granted
Europe	15180729.4	In progress
Japan	2012-537266	In progress
New Zealand	599423	Granted

Patent family 4 – A system for managing patient assessment (ACFI Calculator)

This invention relates to the system and computer program for analyzing 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 values to a limit of a predetermined value range.

Jurisdiction	Patent/Application No.	Status
Australia	2011202419	Granted

Patent family 5 – Apparatus and method for analysing events from sensor data by optimization

This invention claims mathematical methodology for analyzing 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.

Jurisdiction	Patent/Application No.	Status
Australia	2011267839	Granted
Australia	201520202	In progress
United States	13/704,153	Allowed
Canada	2,805,503	Allowed
Europe	11794955.2	In progress
New Zealand	603953	Granted

Patent family 6 – A capacitive wetness sensor and method for manufacturing the same

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. It also relates to a system for coupling such sensors to a receiver and to methods for manufacturing sensors and/or absorbent articles incorporating sensors.

Jurisdiction	Patent/Application No.	Status
Australia	2012289823	Granted
United States	14/236,255	In progress
Canada	2,876,622	In progress
Europe	12820230.6	In progress

Patent family 7 – Improvements relating to event detection algorithms (moving window)

This invention relates to processing sensor signals from wetness sensors that may be employed to detect wetness in incontinence pad, nappies, wound dressings and the like. Relates to algorithms for processing sensor signals using a moving window.

Jurisdiction	Patent/Application No.	Status
Australia	2012278931	Accepted
Australia	2015227536	In progress
United States	14/130,833	In progress
Canada	2,839,943	In progress
Europe	12808152.8	In progress

Patent family 8 – Methods and systems for scheduling procedures such as toileting

This invention 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.

Jurisdiction	Patent/Application No.	Status
PCT	PCT/AU2014/000768	Filed

Patent family 15a – A system for detecting the presence of moisture

This invention relates to a system with at least one sensor for detecting the presence of moisture, comprising a resonant circuit having a resonance frequency and being at least partly formed from a moisture sensitive material having an electrical resistance which increases when in contact with moisture and a reading device for recording information about the presence of moisture of at least one sensor.

Jurisdiction	Patent/Application No.	Status
United States	6,832,507	Granted
Germany	69928949.1	Granted
United Kingdom	1114313	Granted
France	1114313	Granted

Patent family 15b – A moisture detecting module and a receiving unit

This invention relates to a moisture detecting module for monitoring a moisture state of a napkin, comprising a moisture sensitive sensor and 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 by a person, is facing towards the person's skin such that the moisture sensitive sensor contacts the napkin surface.

Jurisdiction	Patent/Application No.	Status
Australia	2010269226	Granted
United States	8,962,909	Granted
Canada	2,767,525	In progress
Europe	10734361.8	In progress
Netherlands	2003163	Granted
China	201080040041.3	In progress
India	255/KOLNP/2012	In progress
Eurasia	201290019	In progress

Patent family 15c – A moisture sensing module and a napkin

This invention relates to a moisture sensing module for monitoring an amount of moisture, comprising a RFID tag layer including a passive electrical resonance circuit, a dielectric layer covering the tag layer, and an absorption layer on top of the dielectric layer for receiving the amount of moisture to be monitored.

Jurisdiction	Patent/Application No.	Status
PCT	PCT/NL2014/050214	Filed
Netherlands	2010569	Granted

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

This invention relates to a moisture monitoring system that can be used to monitor wetting of garments, diapers, nappies, incontinence pads and similar sanitary products.

Jurisdiction	Patent/Application No.	Status
United States	8395014	Granted
Denmark	1983954	Granted
France	1983954	Granted
Germany	1983954	Granted
Spain	1983954	Granted
Sweden	1983954	Granted
United Kingdom	1983954	Granted
Australia	2007211830	Granted
Japan	5109135	Granted

CSIRO in-licensed family 2 – Flexible electronic device

This invention is directed toward an electronic device that may comprise a flexible display, a flexible circuit substrate and a power source.

Jurisdiction	Patent/Application No.	Status
Australia	2006218256	Granted
China	ZL200680006339.6	Granted
United Kingdom	1854342	Granted
Japan	4914375	Granted
Sweden	1854342	Granted
France	1854342	Granted
Spain	1854342	Granted
Denmark	1854342	Granted
Germany	1854342	Granted

Board of Directors and Senior Management

DIRECTORS

Michael W. Brown
Non-Executive Chairman

Michael was appointed as a Non- Executive Director of the Company and as the Non-Executive Chairman of the Board on January 7, 2015. He also serves as a member of the Company's Nomination and Remuneration Committee.

Michael is the founder and executive Chairman of Integrated Equity Pty. Ltd., a Melbourne-based investor and corporate advisory firm which provides services in the areas of; capital raising, M&A, corporate advisory and investment management.

He has had a long and successful career in funds management and has operated at the Chief Investment Officer and Managing Director levels in both the listed and private equity markets. Previously, he has established and managed independent funds management and private equity operations in partnership or within some of Australia's largest and most prominent Australian family groups.

Michael brings to Simavita experience across areas including; corporate governance, corporate strategy, operational planning, financial forecasting and modelling, capital management, mergers and acquisitions, investor relations and long-term shareholder value creation. His academic qualifications include a Master of Science degree and post-graduate training in finance and financial markets. He is a Fellow of the Australian Institute of Company Directors.

Philippa M. Lewis
Executive Director & Chief Executive Officer

Philippa was appointed as a Director of Simavita Holdings in 2007 and, following its acquisition by the Company, 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 recognized 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 prior to its acquisition by a multinational FTSE-listed entity in 2005.

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.

Craig J. Holland
Non-Executive Director

Craig was appointed as a Non-Executive Director of the Company on November 14, 2014. He also serves as Chairman of the Company's Audit and Risk Committee.

Craig is a former senior partner of international accounting firm Deloitte, where he ran the Melbourne Tax Group within Deloitte Private. He also served on both the Melbourne and National executive teams within Deloitte Private, and was also Deloitte Private's Chief Operating Officer prior to his retirement from Deloitte in October 2012. In 2012, Mr. Holland retired as a partner in order to pursue private business interests in the aged care sector.

Craig is an Executive Director and owner of the Menarock Aged Care Services Group, a private company based in Australia, which owns and operates 480 beds through nine residential aged care facilities in Victoria and southern New South Wales and also serves as a Non-Executive Director of the Good Guys Retail Group and as a Non-Executive Director of several not for profit organizations.

He holds a Bachelor of Economics (Monash), a Masters in Taxation (UNSW), is a Certified Practicing Accountant with CPA Australia, a member of the Taxation Institute of Australia and is a Graduate of the Australian Institute of Company Directors.

Warren R. Bingham
Non-Executive Director

Warren was appointed as a Non-Executive Director of the Company on May 21, 2015. He also serves as a member of the Company's Nomination and Remuneration Committee.

For more than 20 years, Warren has worked extensively in the field of medical devices and technologies. In 2001, he established the Australian subsidiary of Given Imaging Ltd., the company who pioneered the Pillcam® technology.

During his time at Given Imaging, Warren served on the global management team which drove the company's progression from a small, privately held, research-stage company with no revenue to a multinational, publicly traded company with revenues exceeding USD$200 million. In February 2014, Covidien PLC acquired Given Imaging Ltd. for approximately USD$1 billion.

Warren is a Member of the Board of the ANZ Gastrointestinal International Training Association, Vice President Asia Pacific to Clinical Genomics, chair for the AusMedtech National Advisory Group, strategic advisor to the Board of the Gastroenterological Nurse College of Australia, Ambassador and strategic advisor to NFP organisation Noble Endeavours, and Alumni Ambassador for the Vinnies CEO Sleepout. Warren has qualifications in Business Administration and post graduate qualifications in Management and is also a graduate member of the Australian Institute of Company Directors.

Dr. Ari B. Bergman
Non-Executive Director

Ari was appointed as a Director of Simavita Holdings in 2007 and, following its acquisition by the Company, of Simavita in November 2013. He also serves as Chairman of the Company's Nomination and Remuneration Committee and as a member of its Audit and Risk Committee.

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 and worked for 12 years at the Spotlight Group (one of Australia's largest and most diverse private groups) as General Counsel, Company Secretary and more recently as General Manager of the family office. Ari was recently appointed by Wingate Investment Group as Chief Operating Officer of Wingate's highly successful property and asset finance division.

Ari has completed a range of post graduate studies across law, tax, and governance, including a doctorate in law from Monash University and is currently enrolled in a Masters of Business Administration at Deakin University.

Ari is a graduate member of the Australian Institute of Company Directors.

Damien M. Haakman
Non-Executive Director

Damien was appointed as a Director of Simavita Holdings in 2012 and, following its acquisition by the Company, of Simavita in November 2013. He also serves as a member of the Company's Audit and Risk Committee.

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 and is following the growing wearable technology space as well as the Internet of Things (IoT). Both sectors having substantial future growth with impacts in many areas.

Damien is a member of the Australian Institute of Company Directors.

EXECUTIVE TEAM

Thomas G. Howitt
Chief Financial Officer & Company Secretary

Tom was appointed as a Director of the Company in June 2005 and subsequently resigned to assume the role of CFO and Company Secretary in April 2014. For more than 20 years, he has served as CFO (and Company Secretary) for public companies listed on the ASX, NASDAQ, TSX-V and NZSE. His experience covers all facets of financial management and control across a variety of industries.

Tom has played key roles in the raising of significant bank debt and equity capital and the management of complex due diligence programs. He has worked as a taxation consultant for Ernst & Young and in the investment banking industry.

Tom is a Chartered Accountant, member of the Taxation Institute of Australia and Institute of Chartered Secretaries, an 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.

Peta C. Jurd
Chief Commercial Officer

Peta was appointed Chief Commercial Officer in September 2015. She has extensive experience in health and technology companies. Prior to joining Simavita, Peta was the Head of Hills Health Solutions at Hills Limited where she was responsible for leading the Health division, providing health technology to hospitals and aged care facilities in Australia and New Zealand. She has also held senior management positions at Telstra, Veolia environmental services and Mayne Nickless Health Care.

Peta has a strong commercial background and extensive experience running commercial and operational business units and governance areas such as compliance, risk management, human resources, safety and legal services.

Peta is also an independent Non-Executive Director of the National Breast Cancer Foundation and has previous Board experience with other not-for-profit organizations and an industry superannuation fund.

Peter J. Curran
Chief Technology Officer

Peter is the Chief Technology Officer of Simavita and has been with the Company since May 2009. He has over 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, audio, 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, operations and commercial management within the electronics industry.

Peter holds qualifications in electrical engineering, business administration and has accreditations in business process improvement.

Christopher R. Southerland
Vice President, US Sales & Marketing

Chris was appointed executive VP of Sales and Marketing in the US in March 2015. He has worked for over 25 years in sales and marketing, serving in senior leadership roles with large global multi-national companies including iDexx Laboratories, Sysmex and Molnlycke Healthcare, as well as early phase diagnostic and digital technology companies.

Chris is a graduate of the University of Georgia and resides in Atlanta, Georgia, where he leads the Company's growth initiatives in the North American market.

Paul Won
Vice President, Manufacturing & Supply Chain

Paul was appointed as VP Manufacturing and Supply Chain in October 2014, responsible for operations. Paul has over 25 years of local and international operations and engineering experience across pharmaceutical and medical device industries.

He has held senior management positions in manufacturing and supply chain at a number of companies including Baxter Healthcare, Bard Australia and Hill-Rom.

Edward W. Nixey
General Counsel

Edward (Ted) was appointed as General Counsel of Simavita in April 2015, having previously been a partner at K&L Gates, a US-based Global Law Firm. He is responsible for the provision of legal advice on a wide range of matters for Simavita.

Ted has over 15 years' experience gained in Sydney, London and Stockholm advising publicly-listed entities on the ASX, LSE, AIM, NYSE and NASDAQ Stockholm in corporate and commercial law. He is admitted to practice as a solicitor in Australia and England & Wales.

Glossary of Terms

In this Annual Report, unless the context otherwise requires:

$	means Australian dollars.
ACFI (Aged Care Funding Instrument)	means the principal system under which Long Term Care facilities in Australia receive funding from the Australian Commonwealth Government.
Algorithm	means a self-contained, step-by-step set of operations to be performed that can perform calculations, data processing and automated reasoning.
ASX	means ASX Limited ACN 008 624 691.
ASX Corporate Governance Principles	means the corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Annual Report.
ASX Listing Rules	means the official listing rules of the ASX.
Big Data	means a broad term for potentially-valuable data sets so large or complex that traditional data processing applications are inadequate.
Board	means the board of directors of the Company.
Care Plan	means a plan that covers 12 areas of care of a resident of a Long Term Care facility.
CDI	means a CHESS Depositary Interest to be issued by CDN, each CDI representing an interest in a corresponding Share.
CDN	means CHESS Depositary Nominees Pty. Limited ABN 75 346 506.
CHESS	means the Clearing House Electronic Sub-register System operated by ASX.
Cloud	means a model for enabling ubiquitous, on-demand access to a shared pool of computer resources.
Comorbid	means a medical condition existing simultaneously but independently of another.
Company or Simavita	means Simavita Limited, Australian Registered Body Number 165 831 309.
Diaper (or Pad)	means a body worn, man-made product used to manage Incontinence.
Digital Healthcare	means social networking, mobile connectivity and bandwidth, increasing computing power and the data universe converging with wireless sensors, genomics, imaging, and health information systems. Digital healthcare refers to the ability to digitize human beings, by a variety of means (sequencing, sensors, imaging, etc.) fully exploiting the digital infrastructure of ever-increasing bandwidth, connectivity, the Internet of all things, and health information systems.
Directors	means the directors of the Company.
Ecosystem	means all of the components of a technology system.
FDA	means the US Food and Drug Administration.
Incontinence	means the involuntary leakage of either urine or faeces from the bladder or bowel as the case may be.
Incontinence Assessment	means the review of a person's status in relation to their Incontinence, including the review of how often and how much Incontinence is occurring, and related to the situations and conditions of the elderly person.
Incontinence Product(s)	means products designed to manage incontinence problems, and come in various forms. Common expressions for body worn products include pads, nappies or diapers.
InterRai	means International Resident Assessment Instrument.

IP (Intellectual Property)	means statutory and other rights in respect of copyright and neighbouring rights, all rights in relation to inventions, patents, trademarks, designs, circuit layouts, trade secrets, rights to require information be kept confidential and other rights arising out of intellectual activity in the industrial, scientific, literary or artistic fields, but does not include moral rights that are not transferable.
Long Term Care	means a variety of services which help meet the medical and non-medical needs of people with a chronic illness or disability who cannot care for themselves for long periods of time. Long-term care facilities include nursing homes, skilled nursing and habitation facilities, inpatient behavioural health facilities, and long-term chronic care hospitals. In Australia, Long Term Care is known as Residential Aged Care facilities.
Platform	means a major piece of software, as an operating system, an operating environment, or a database, under which various smaller application programs can be designed to run.
SaaS (Software as a Service)	means a software licensing and delivery model in which software is licensed on a subscription basis and centrally hosted. It is sometimes referred to as "on-demand software". SaaS is typically accessed by users using a web browser.
SIM™ (an acronym for Smart Incontinence Management)	means a wireless sensor technology that delivers evidence-based continence data on individuals.
SIM™ Assessment	means an instrumented Incontinence Assessment performed using SIM™.
Securities	means CDIs and Shares in the Company.
Sensor	means an object whose purpose is to detect events or changes in its environment and, in the case of SIM™, forms an integral part of the diaper used to conduct SIM™ Assessments.
Shares	means fully paid common shares in the capital of Simavita.
Skin Integrity	means being whole, intact and undamaged. When skin has integrity, it performs these very important functions: It shields the body's vital metabolic functions from harmful temperatures, chemicals, radiation and pathogens.
TGA	means the Therapeutic Goods Administration.
TSX-V	means the TSX Venture Exchange, Inc. a Canadian stock exchange for early stage companies.
UTI (Urinary Tract Infection)	means an infection that affects part of the urinary tract, also known as acute cystitis or bladder infection.
USD	means United States dollars.
Wearables	means clothing and accessories incorporating computer and advanced electronic technologies.
Wi-Fi	means a local area wireless computer networking technology.

Financial Report
for the year ended June 30, 2015

Management Discussion and Analysis
for the year ended June 30, 2015

The following Management Discussion and Analysis ("MD&A") is an abbreviated form of the MD&A filed on August 20, 2015 with the Canadian Securities Administrators and does not comply with the Company's Canadian reporting obligations. The MD&A that has been reproduced here has been extracted from the Financial Report that was filed by the Company with the Australian Securities Exchange and the MD&A filed on SEDAR in Canada and has been abbreviated in certain areas. Readers should refer to the MD&A filed on August 20, 2015 for the full information required to comply with the MD&A requirements in Canada.

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

DATE

This MD&A is dated **August 20, 2015**.

OVERALL PERFORMANCE AND HIGHLIGHTS

Highlights

- Total record revenue from the sale of SIM™ of $778,574 represents an increase of 122% over prior year.
- Revenue from the sale of SIM™ now being generated from three continents.
- Consolidated loss after income tax falls by $1,028,581, or 10%, from prior year.
- Additional equity capital of $11,966,367, before associated costs, raised during the 2015 financial year.
- Cash and cash equivalents at June 30, 2015 of $9,027,722 are 32% higher than the balance at June 30, 2014.

Overview

Changes to the Board of Directors during the year

During the year ended June 30, 2015, the following changes to the Company's Board of Directors occurred:

- On September 12, 2014, Mr. Peter Cook resigned as a Director and as Chairman of the Board of Directors.
- Mr. Ari Bergman assumed the position of Chairman from September 12, 2014 to January 7, 2015.
- On November 14, 2014, Mr. Craig Holland was appointed as a Director of the Company and also as Chairman of its Audit and Risk Sub-Committee.
- On January 7, 2015, Mr. Michael Brown was appointed as a Director of the Company and as its Chairman.
- On May 21, 2015, Mr. Warren Bingham was appointed as a Director of the Company.

Shareholder meetings

Three meetings of the Company's shareholders, including its first Annual General Meeting following the acquisition of Simavita Holdings Limited which was held on December 3, 2014, were held during the 2015 financial year. All resolutions that were put before the shareholders at these three meetings were passed on a show of hands.

Tax incentive scheme payment

On February 5, 2015, the Company announced the receipt of $1,370,468 under the Australian Government's R&D Tax Incentive Scheme in respect of the year ended June 30, 2014. The amount received compared favourably to the estimate of $1,214,355 that was included in the Company's financial statements for the year ended June 30, 2014.

Likely developments

During the 2016 financial year, in addition to working to increase the sales of its products in Australia, North America and Denmark, Simavita will seek to expand its activities to other European countries and into different markets and sectors, with potential new products that leverage off the Company's underlying platform technology.

CHANGES TO CAPITAL STRUCTURE

During the period from July 1, 2014 up to the date of this MD&A, the Company completed various transactions that have resulted in additional securities being issued and further capital being raised by the Company, as detailed below:

- On July 30, 2014, following a Special Meeting of the Company's shareholders held on July 23, 2014, the Company issued a total of 6,502,216 common shares as CDIs at an issue price of $0.45 per share/CDI, raising a total of $2,925,997, before the payment of associated costs.
- The Company conducted a capital raise 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 and CDIs to those parties 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.
- On August 19, 2014, the Company granted a total of 1,237,500 unlisted stock options pursuant to the Company's stock option plan to various employees of the Company. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at a price of $0.70 per share. The options vested immediately upon the date of grant and have an expiry date of July 31, 2018.
- On October 28, 2014, the Company granted a total of 500,000 unlisted stock options pursuant to the Company's stock option plan to a consultant of the Company. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at a price of $0.62 per share. The options, which vested immediately upon the date of grant, have an expiry date of July 1, 2017.
- On April 9, 2015, the Company completed the placement of 18,431,935 common shares and CDIs at an issue price of $0.45 per security. The placement raised a total of $8,294,371, before the payment of associated costs.
- On April 10, 2015, the Company granted 1,990,000 unlisted stock options to five key executives of the Company pursuant to an incentive scheme between Simavita and the respective recipients. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at prices ranging from $0.51 to $0.76. The options, which vested immediately upon the date of grant, have an expiry date of March 31, 2019.
- On May 22, 2015, the Company issued 85,555 common shares and CDIs at an issue price of $0.45 per security to two Directors of the Company subject to shareholder approval which was received on May 21, 2015.
- On June 30, 2015, a total of 214,000 unlisted stock options which had been granted to former employees of the Company on August 19, 2014 were forfeited and cancelled.
- On July 7, 2015, the Company granted a total of 193,000 unlisted stock options pursuant to the Company's stock option plan to various employees of the Company. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at a price of $0.70 per share. The options vested immediately upon the date of grant and have an expiry date of June 30, 2019.

DISCUSSION OF OPERATIONS

Statement of comprehensive loss

Overview

The Group reported a consolidated loss after income tax for the year ended June 30, 2015 of $9,463,209, which was $1,028,581, or 10%, less than the loss incurred during the previous year ended June 30, 2014 of $10,491,790. The decrease in the current year loss is principally attributable to:

- the absence of transaction costs ($1,221,125) and a loss on acquisition ($792,397) associated with the acquisition of Simavita Holdings Limited that were both incurred during the 2014 financial year;
- the absence of finance costs ($320,603) that were incurred during the 2014 financial year, prior to the repayment of the related interest-bearing liabilities during that year;
- a reduction in the share-based payments expense ($586,570) incurred due to a reduction in the number of unlisted stock options that were granted during the 2015 financial year; and
- together with increases in sales, marketing and distribution expenses ($1,981,335), research and development expenses ($432,705) and the income tax benefit ($281,342) as detailed below.

The consolidated loss after income tax for the quarter ended June 30, 2015 was $3,282,247, which was $2,415,148, or 278%, higher than the loss incurred during the previous corresponding period ended June 30, 2014 of $867,099. The increase in the current quarter loss is principally attributable to:

- the fact that the Company's entire research and development tax incentive scheme payment for the 2014 financial year ($1,214,355) was recorded during the June 2014 quarter, whereas only one quarter of the estimated payment for the 2015 financial year was recorded during the quarter ended June 30, 2015;
- during the June 2014 quarter, adjustments totalling $764,205 were recorded in respect of transaction expenses associated with the acquisition of Simavita Holdings Limited; and
- a share-based payments expense of $291,850 was booked during the June 2015 quarter while no such expense was recorded during the corresponding quarter in the 2014 financial year.

Revenues

Revenues generated by the Group from the sale of its SIM™ solution increased by $428,679, or 122%, to $778,574 during the year ended June 30, 2015, as compared to $349,895 for the previous corresponding year. Total revenues generated during the quarter ended June 30, 2015 were $159,748, representing an increase of $63,974, or 67% over the revenue generated during the corresponding period in 2014 of $95,774.

The majority of the current year's growth in revenue came from the Company's initial sales of SIM™ in the US market following the receipt of Simavita's first significant order from its US distributor, Medline, and from early sales of the Company's products in Europe and from the initial sales to one of its newly-appointed Australian distributors, Bunzl Outsourcing Services.

The Group anticipates that sales of SIM™ in Australia will continue to grow as sales and marketing efforts result in further aged care facilities adopting the technology. In the US market, pilot sites of the Company's SIM™ solution are underway which it is anticipated will lead to further negotiations with a number of potential users of the Group's product, hopefully resulting in further contracts to supply SIM™. At the same time, negotiations with potential distributors of the Group's product in certain other European countries, apart from Denmark, will continue. In Canada, a pilot site has now been established to demonstrate the product in that market and further sales are expected soon.

DISCUSSION OF OPERATIONS CONTINUED

Statement of comprehensive loss CONTINUED

Cost of sales

The Company's cost of sales increased by $207,123, or 217%, to $302,576 during the year ended June 30, 2015, as compared to $95,453 for the previous corresponding year. Total cost of sales for the quarter ended June 30, 2015 were $41,133, representing a decrease of $10,851, or 21%, as compared to $51,984 for the corresponding quarter in 2014.

The absolute increase in cost of sales during the 2015 year is directly attributable to the corresponding increase in sales, together with costs associated with the establishment of new customers upon the introduction of the Company's SIM™ solution to their facilities. The reduction in gross margin during the year ended June 30, 2015 from 72.7% in 2014 to 61.1% is attributable to the proportionate increase in sales from the US and European markets, where a third party distributor model is used, rather than direct selling where lower distribution costs are payable. This arrangement results in a lower gross margin per unit sold which, in turn, is offset by a corresponding reduction in the Company's local sales and marketing expenses.

Finance costs

During the year ended June 30, 2014, the Group incurred finance costs of $320,603 in respect of interest-bearing liabilities held by the Group during that year. Following the extinguishment of all outstanding interest-bearing liabilities during the previous year, 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, all such liabilities were repaid such that, during the year ended June 30, 2015, no such finance costs were incurred.

General and administration

General and administration ("G&A") costs decreased by $62,445, or 1%, to $4,409,644 during the year ended June 30, 2015, as compared to $4,472,089 for the previous corresponding year. G&A costs incurred during the quarter ended June 30, 2015 decreased by $1,186,329, or 61%, to $769,712, as compared to $1,956,041 for the corresponding quarter in 2014.

Included within the category of G&A for the year ended June 30, 2015 are the following specific expenses:

- **Employee benefits expenses** increased by $880,746, or 61%, due to an accrual of $150,000 in respect of possible short term incentive payments due in respect of the 2015 financial year; an increase in relevant salaries of $172,183 due to employees holding positions for the full year as against only part of the year in 2014; an increase of Director-related costs of $197,975 due to the expansion of the Board during the current financial year; the payment of outstanding fringe benefits tax of $118,412 that was not paid in the 2014 financial year; and other Group employee-related on-costs of $242,176.
- **Consultants fees** decreased in the current year by $297,222, or 41%, due to payments made during the 2014 financial year to Jas Management Pty. Ltd. of $121,894 for services rendered by former Director, Mr. Philip Johnstone, as well as $176,150 paid to Dumur Asia Pacific Pty. Ltd., a company associated with Mrs. Philippa Lewis, in respect of management services provided to the Company that were not made during the current year.
- **A write-off of inventory** of $202,186 was taken during the 2014 financial year in relation to obsolete products which was subsequently replaced by a newer version. No such write-off was required in the current year.
- **Other expenses** decreased by $533,126, or 46%, due to expenses incurred in relation to the Company's stock exchange listings during the 2014 financial year.

The decrease in G&A costs during the fourth quarter was largely due to the reclassification of certain expenses from administration to sales and marketing to more accurately reflect the underlying nature of the expenses incurred.

DISCUSSION OF OPERATIONS CONTINUED

Statement of comprehensive loss CONTINUED

Occupancy costs

Occupancy costs increased by $48,769, or 15%, to $380,206 during the year ended June 30, 2015, as compared to $331,437 for the previous corresponding year. Occupancy costs incurred during the quarter ended June 30, 2015 increased by $18,311, or 25%, to $90,711, as compared to $72,400 for the corresponding quarter in 2014.

The increase in occupancy costs related to the additional costs incurred in respect of the Group's serviced office in Melbourne, Australia and the fact that, during the 2015 financial year, the Group moved into larger premises in North Sydney to accommodate the Group's expanding activities. It is expected that occupancy costs will remain constant in coming periods, as the Group's existing accommodation will be adequate for the foreseeable future.

Research and development

Research and development ("R&D") costs increased by $432,705, or 21%, to $2,453,936 during the year ended June 30, 2015, as compared to $2,021,231 for the previous corresponding year. R&D costs incurred during the quarter ended June 30, 2015 increased by $210,607, or 40%, to $735,347, as compared to $524,740 for the corresponding quarter in 2014.

During the 2015 financial year, the Company undertook a greater proportion of its R&D activities in-house, resulting in the recruitment of additional staff and a larger total employee benefits expense. Further, amounts were paid to external parties in respect of specialist technical advice relating to specific R&D projects. As the Group continues to introduce further refinements to its existing products and develop new applications that leverage off its core SIM™ technology platform, it is likely that material R&D costs will continue to be incurred in future periods.

The rate and extent to which R&D activities will be undertaken by the Group in future will be partly dependent on its available cash resources. Importantly, the Group qualifies for an R&D tax incentive payment each year from the Australian Commonwealth Government that reduces the net overall cost incurred by the Group in respect of its R&D activities. In respect of the year ended June 30, 2014, the Company received an amount of $1,370,468 under the relevant scheme.

Sales, marketing and distribution

Sales, marketing and distribution ("SM&D") costs are reported on a geographical segment basis (refer Note 25).

Australia

SM&D costs in Australia increased by $1,172,950, or 76%, to $2,709,264 during the year ended June 30, 2015, as compared to $1,536,314 for the previous corresponding year. SM&D costs incurred during the quarter ended June 30, 2015 increased by $937,693, or 230%, to $1,345,505, as compared to $407,812 for the corresponding quarter in 2014.

During the 2015 financial year, the Company expanded the size of its local sales and marketing team, resulting in the recruitment of additional staff and a larger total employee benefits expense, as well as increased travel, marketing and advertising expenses. It is anticipated that, as the Group continues to market its SIM™ solution to secure further sales in Australia, these SM&D costs will continue to be incurred. However, the appointment of two local third party distributors (Bunzl and Hartmann) during the 2015 financial year should enable the Group to limit future increases in such costs, whilst still increasing local sales of SIM™.

The significant increase in SM&D costs incurred during the quarter ended June 30, 2015 was, in part, attributable to the reclassification of certain costs from general and administration to sales and marketing to ensure greater consistency of presentation.

DISCUSSION OF OPERATIONS CONTINUED

Statement of comprehensive loss CONTINUED

North America

SM&D costs in North America increased by $778,500, or 434%, to $957,950 during the year ended June 30, 2015, as compared to $179,450 for the previous corresponding year. SM&D costs incurred during the quarter ended June 30, 2015 increased by $453,437, or 1,236%, to $490,120, as compared to $36,683 for the corresponding quarter in 2014.

Following the commencement of the distribution arrangement in the US with Medline Industries Inc. in 2014, the Company deployed significant resources during the 2015 financial year to expand its North American sales and marketing presence. The number of employees engaged in such activities increased from one at June 30, 2014 to seven by the end of the 2015 financial year. This increase resulted in a larger total employee benefits expense, as well as increased associated travel, marketing and advertising expenses.

In July 2015, the Company announced that, in order to more rapidly and widely deploy SIM™ in the US market, Simavita and Medline had agreed to vary their distribution agreement such that Medline will transition to a non-exclusive distribution arrangement. While the distribution relationship with Medline will continue to be an important one for Simavita, this transition will enable the Company to also commence independent sales and marketing activities, and also to engage with additional third party distributors over time. It is likely that Simavita will incur additional SM&D costs in North America in future periods as part of these new arrangements.

As stated above, the significant increase in SM&D costs incurred during the quarter ended June 30, 2015 was, in part, attributable to the reclassification of certain costs from general and administration to sales and marketing to ensure greater consistency of presentation.

Europe

SM&D costs in Europe were $29,885, as compared to $Nil for the previous corresponding year. During the 2015 financial year, the Company generated its first sales in the European market (in Denmark), through its arrangement with Danish distributor Abena A/S. As the Company seeks to expand its European sales and marketing presence, a small local team will be established in the 2016 financial year.

Share-based payments expense

Share-based payments ("SBP") expense decreased by $586,570, or 45%, to $715,763 during the year ended June 30, 2015, as compared to $1,302,333 for the previous corresponding year. SBP expense incurred during the quarter ended June 30, 2015 was $291,850. No SBP expense was incurred during the corresponding quarter in 2014.

As part of the Company's acquisition of Simavita Holdings Limited during the 2014 financial year, the Group had contractual obligations to grant options to certain senior Executives. As a result, a total of 6,876,664 options and 2,309,543 warrants were granted during that year, creating an SBP expense of $1,302,333, all of which was recognized during the quarter ended June 30, 2014. In contrast, only 3,727,500 options and 1,444,412 warrants were granted during the 2015 financial year, creating a reduced SBP expense of $715,763.

Transaction expenses

During the year ended June 30, 2014, the Company incurred transaction expenses of $1,221,125 in respect of the acquisition of Simavita Holdings Limited which was completed on December 3, 2013. No such expenses were incurred during the current year.

Income tax benefit

The Company's income tax benefit increased by $281,342, or 23%, to $1,495,697 during the year ended June 30, 2015, as compared to $1,214,355 for the previous corresponding year. The income tax benefit recognized during the quarter ended June 30, 2015 decreased by $902,271 or 74%, to $312,084, as compared to $1,214,355 for the corresponding quarter in 2014.

DISCUSSION OF OPERATIONS CONTINUED

Statement of comprehensive loss CONTINUED

The Group qualifies for an R&D tax incentive payment each year from the Australian Commonwealth Government which is recognized as an income tax benefit. During the year ended June 30, 2014, an amount of $1,214,355 was accrued as a receivable as at balance date in respect of the estimated amount due under the scheme in respect of that year, all of which was recognized during the quarter ended June 30, 2014. On February 4, 2015, the Company received an amount of $1,370,468 in respect of the 2014 financial year, with the under accrual of $156,113 being recognized as a benefit in the current year. As at June 30, 2015, a receivable of $1,339,584 was recognized as a receivable in respect of the estimated amount due under the scheme in respect of the 2015 financial year.

Statement of financial position

Cash and cash equivalents

The Group's cash and cash equivalents at the end of the year ended June 30, 2015 increased by $2,183,525, or 32%, to $9,027,722, as compared to $6,844,197 at the end of the previous corresponding year. This increase resulted from the net funds raised from the issue of 26,591,907 common shares and CDIs in the Company at an issue price of $0.45 per share, offset by the net cash outflows from operations.

Trade and other receivables

The Group's trade and other receivables at the end of the year ended June 30, 2015 increased by $215,605, or 15%, to $1,612,614, as compared to $1,397,009 at the end of the previous corresponding year. In addition to regular trade receivables, the Company recognized a receivable of $1,214,355 as at June 30, 2014 in respect of its 2014 R&D tax incentive claim from the Australian Commonwealth Government. As a June 30, 2015, an amount of $1,339,584 was recognized in respect of the Company's estimated claim due in respect of the 2015 financial year.

Inventories

The Group's inventories at the end of the year ended June 30, 2015 increased by $32,103, or 10%, to $345,912, as compared to $313,809 at the end of the previous corresponding year. This increase was consistent with the Group's increased sales during the 2015 financial year.

Other assets

The Group's other assets at the end of the year ended June 30, 2015 increased by $108,818, or 215%, to $159,534, as compared to $50,716 at the end of the previous corresponding year. This increase was principally attributable to the prepayment of certain insurance policies as at June 30, 2015.

Property, plant and equipment

The Group's net property, plant and equipment at the end of the year ended June 30, 2015 increased by $90,052, or 79%, to $204,488, as compared to $114,436 at the end of the previous corresponding year. This increase was attributable to the purchase of items of office equipment required for the expansion of the Group's operations in North America together with certain leasehold improvements at the Company's North Sydney offices, offset by depreciation expenses.

Trade and other payables

The Group's trade and other payables at the end of the year ended June 30, 2015 decreased by $164,853, or 16%, to $857,970, as compared to $1,022,823 at the end of the previous corresponding year. As at June 30, 2014, creditors in respect of certain consulting and recruitment fees were outstanding that were not payable at the end of the 2015 financial year.

Share capital

As a result of the Group's capital raising activities during the year ended June 30, 2015, which resulted in the issue of a total of 26,591,907 common shares and CDIs, the Company's share capital increased by $11,394,896 (net of equity transaction costs of $571,471) from $43,935,952 at June 30, 2014 to $55,330,848 at June 30, 2015, representing an increase of approximately 26%.

DISCUSSION OF OPERATIONS CONTINUED

Statement of financial position CONTINUED

The new equity issued during the year ended June 30, 2015 was raised at an issue price of $0.45 per security. The net funds raised by the Group have been added to the existing cash reserves and will be used to (i) accelerate the roll-out of the Company's current technologies in the North American and European markets; (ii) accelerate the development of SIM™ Generation 5 (cloud compatible) product and potentially its SIM™ Community Care (home-based) product; (iii) negotiate the appointment of additional distributors to roll-out SIM™ in Europe; (iv) potentially acquire and develop complimentary intellectual property; and (v) for general working capital purposes.

Reserves

The Group's reserves at the end of the year ended June 30, 2015 increased by $728,537, or 26%, to $3,478,067, as compared to $2,749,530 at the end of the previous corresponding year. This movement comprised an increase in the share-based payments reserve of $715,763, arising from the issue of options during the year, and an increase in the foreign currency reserve resulting from the revaluation of the assets and liabilities of foreign subsidiaries of $12,774.

Statement of cash flows

Operating activities

Net cash flows used in operating activities during the year ended June 30, 2015 increased by $729,731, or 9%, to $9,017,331, as compared to $8,287,600 during the previous corresponding year. This increase was largely attributable to an increase in sales, marketing and distribution outflows, offset by a reduction in outflows relating to the acquisition of Simavita Holdings Limited during the previous year.

Investing activities

Net cash flows used in investing activities during the year ended June 30, 2015, increased by $254,685, or 533%, to $206,941, as compared to $47,744 in net cash flows from investing activities during the previous corresponding year. This increase was largely attributable to purchases of office equipment required as part of the Group's global expansion and outflows associated with certain leasehold improvements at the Company's office premises in North Sydney. In the corresponding year, there were net cash inflows from investing activities due to the cash received on the reverse takeover of Simavita Holdings Limited amounting to $162,542.

Financing activities

Net cash flows from financing activities decreased by $2,962,778, or 21%, to $11,394,896, as compared to $14,357,674 during the previous corresponding year. This decrease related to a reduction in the amount of new capital raised from the issue of common shares and CDIs during the 2015 financial year (refer Note 19 for details), and the repayment of certain borrowings as part of the acquisition of Simavita Holdings Limited.

SELECTED FINANCIAL DATA

The following selected financial data covers the three financial years ended June 30, 2015, 2014 and 2013. The data has been prepared in accordance with IFRS and is reported in Australian dollars.

Year ended	Total revenues $	Net loss $	Total assets $	Total non-current liabilities $
June 30, 2015	778,574	(9,463,209)	11,416,809	69,386
June 30, 2014	349,895	(10,491,790)	8,789,924	43,041
June 30, 2013	316,290	(7,385,811)	2,489,457	3,369,678

SELECTED FINANCIAL DATA CONTINUED

Analysis of current year movements

Total revenues

Revenues generated by the Group from the sale of its SIM™ solution increased by $428,679, or 122%, to $778,574 during the year ended June 30, 2015, as compared to $349,895 for the previous corresponding year. The majority of the current year's growth in revenue came from the Company's initial sales of SIM™ in the US market following the receipt of Simavita's first significant order from its US distributor, Medline, from early sales of the Company's products in Europe and from the initial sales to one of its newly-appointed Australian distributors, Bunzl Outsourcing Services.

Net loss

The Group reported a consolidated loss after income tax for the year ended June 30, 2015 of $9,463,209, which was $1,028,581, or 10%, less than the loss incurred during the previous year ended June 30, 2014 of $10,491,790. The decrease in the current year loss is principally attributable to:

- the absence of transaction costs ($1,221,125) and a loss on acquisition ($792,397) associated with the acquisition of Simavita Holdings Limited that were both incurred during the 2014 financial year;
- the absence of finance costs ($320,603) that were incurred during the 2014 financial year, prior to the repayment of the related interest-bearing liabilities during that year;
- a reduction in the share-based payments expense ($586,570) incurred due to a reduction in the number of unlisted stock options that were granted during the 2015 financial year; and
- together with increases in sales, marketing and distribution expenses ($1,715,764), research and development expenses ($432,705) and the income tax benefit ($281,342) as detailed below.

Total assets

The Group's total assets at the end of the year ended June 30, 2015 increased by $2,626,885, or 30%, to $11,416,809, as compared to $8,789,924 at the end of the previous corresponding year. This increase was principally attributable to an increase in the cash and cash equivalents of $2,183,525 which resulted from the net funds raised from the issue of common shares and CDIs in the Company, offset by the net cash outflows from operations. In addition, the Group's trade and other receivables increased by $215,605 which was principally attributable to an increase in the amount due under the R&D tax incentive claim from the Australian Commonwealth Government.

Total non-current liabilities

The Group's total non-current liabilities at the end of the year ended June 30, 2015 increased by $26,345, or 61%, to $69,386, as compared to $43,041 at the end of the previous corresponding year. This increase was attributable to an increase in the Company's long service leave provision.

Analysis of prior year movements

Total revenues

Revenues generated by the Group from the sale of its SIM™ solution increased by $33,605, or 11%, to $349,895 during the year ended June 30, 2014, as compared to $316,290 for the previous corresponding year. 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. 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. Following the successful rollout of the Generation 4 product, sales increased by 122% during the 2015 financial year.

SELECTED FINANCIAL DATA CONTINUED

Analysis of prior year movements CONTINUED

Net loss

The Group reported a consolidated loss after income tax for the year ended June 30, 2014 of $10,491,790, which was $3,105,979, or 42%, higher than the loss incurred during the previous year ended June 30, 2013 of $7,385,811. The loss for the year ended June 30, 2014, 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 stock exchange listings during that year ($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 year.

Total assets

The Group's total assets at the end of the year ended June 30, 2014 increased by $6,300,467, or 253%, to $8,789,924, as compared to $2,489,457 at the end of the previous corresponding year. This increase was principally attributable to an increase in the cash and cash equivalents of $6,106,219 which resulted from the net funds raised from the issue of common shares and CDIs in the Company, offset by the net cash outflows from operations.

Total non-current liabilities

The Group's total non-current liabilities at the end of the year ended June 30, 2014 decreased by $3,326,637, or 99%, to $43,041, as compared to $3,369,678 at the end of the previous corresponding year. This decrease was attributable to the repayment and extinguishment of all long-term interest bearing liabilities as part of the acquisition of Simavita Holdings Limited on December 3, 2013.

SUMMARY OF QUARTERLY RESULTS

The following is a comparison of revenue and earnings for the previous twelve quarters ended June 30, 2015, which includes the information contained in the first set of financial statements prepared by the Company since the reverse takeover of Simavita Holdings Limited on December 3, 2013. All financial information is prepared in accordance with IFRS and is reported in the Group's functional currency, the Australian dollar.

Quarter ended	Total revenue $	Net profit/(loss) $	Net loss per share $
June 30, 2015	159,748	(3,282,247)	(0.04)
March 31, 2015	160,744	(2,113,438)	(0.03)
December 31, 2014	359,390	(1,702,796)	(0.02)
September 30, 2014	98,692	(2,364,728)	(0.03)
Totals - year ended June 30, 2015	778,574	(9,463,209)	(0.12)
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)

SUMMARY OF QUARTERLY RESULTS CONTINUED

Revenues from the sale of SIM™ in Australia are trending upwards and it is anticipated that sales in that market will continue this trend. The timing and quantum of sales of SIM™ from the North American market, and potentially other markets in Europe, however, will be less predictable, as the Group's international distributors order inventory to service their domestic customers in fewer, but significantly larger, orders.

During the year ended June 30, 2015, the Company made progress towards achieving its milestones. Sales of SIM™ were generated in the US and Denmark with distribution arrangements to sell SIM™ in Canada now in place and negotiations underway to extend the distribution of SIM™ into other European countries during the 2016 financial year. The execution during 2015 of distribution agreements in Australia with Bunzl and Hartmann will also increase the Company's sales and marketing presence in its local market.

LIQUIDITY

The Group incurred total expenses of $11,656,648 during the year ended June 30, 2015 and net cash flows from operations during the same period of $9,017,331. As a result of the capital raising activities undertaken by Simavita during the previous period, the Group's cash and cash equivalents increased during the period under review by $2,183,525 such that the Group's cash reserves as at June 30, 2015 were $9,027,722 and its working capital (defined to be current assets less total liabilities) was $9,919,960. On February 4, 2015, the Group received a payment of $1,370,468 under the Australian Commonwealth Government's research and development tax incentive scheme and it anticipates it will receive a payment of $1,339,584 in respect of the 2015 financial year.

In light of the above, the Group believes it has sufficient funds to meet its current working capital requirements. While sales of its SIM™ technology are steadily increasing, such that net cash outflows are progressively reducing, the Group anticipates that it will generate net outflows from operations for at least the next twelve months from the date of this MD&A. The date on which the Group achieves a break even position will be largely dependent on the rate at which Simavita's products are adopted by customers in the North American, European and Australian markets. Until that time, the Group will closely monitor its available cash and cash equivalents and the monthly net cash outflows used in operations it incurs. To the extent that further capital raisings may be necessary to support the Group's projected sales and marketing and product development plans, the Group will investigate and pursue appropriate potential financing options. Should the Company fail to raise additional capital to the extent required, Management will need evaluate areas where reductions in expenses and/or personnel can be made.

Currently, there are no significant seasonality factors that influence the Company's business.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements in place as at June 30, 2015.

CAPITAL RESOURCES

As detailed above, the Group believes it has sufficient funds to meet its current working capital requirements. The Company currently has no external debt and modest contractual commitments, as detailed below. As sales of SIM™ progressively increase, our net cash outflows from operating activities should reduce. However, the Group anticipates that it will continue to generate net outflows from operating activities for at least the next twelve months from the date of this MD&A. The Group will closely monitor its capital resources (predominantly cash and cash equivalents), to ensure it continues to have sufficient funds to meet its working capital requirements.

As at the date of this MD&A, the Company had the following contractual commitments:

Operating lease expenditure commitments

Minimum operating lease payments	$
- not later than one year	192,134
- later than one year but not later than five years	299,785
- later than five years	-
Total minimum operating lease payments	491,919

CAPITAL RESOURCES CONTINUED

As at the above date, 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	450,879
Level 40, 140 William Street Melbourne, Victoria 3000 Australia	ServCorp Pty. Ltd.	Office	May 31, 2016	41,040
			Total	491,919

TRANSACTIONS BETWEEN RELATED PARTIES

Details of Directors and Named Executive Officers ("NEOs") as at balance date

Directors	Named Executive Officers
Michael W. Brown Non-Executive Chairman	**Thomas G. Howitt** Chief Financial Officer / Company Secretary
Philippa M. Lewis Chief Executive Officer	**Peter J. Curran** Chief Technology Officer
Ari B. Bergman Non-Executive	**Christopher R. Southerland** Vice President, US Sales and Marketing
Warren R. Bingham Non-Executive	**Charles B. Cornish** Director, Sales and Marketing ANZ
Damien M. Haakman Non-Executive	**Edward W. Nixey** General Counsel
Craig J. Holland Non-Executive	**Paul Won** Vice President, Manufacturing and Supply Chain

Payments made to Directors and NEOs during the year ended June 30, 2015

		Short-term		Long-term			
Name and title of Directors	Period	Salary/fees $	Other $	Post-employment Superannuation $	Long service leave $	Share-based Options $	Totals $
Michael W. Brown[1, 2] *Non-Executive Chairman*	**2015**	**54,795**	**-**	**5,205**	**-**	**-**	**60,000**
	2014	-	-	-	-	-	-
Philippa M. Lewis[3] *Chief Executive Officer*	**2015**	**350,000**	**197,191**	**33,250**	**21,008**	**-**	**601,449**
	2014	262,500	584,983	24,281	14,582	734,583	1,620,929
Ari B. Bergman[4] *Non-Executive Director*	**2015**	**50,139**	**2,917**	**4,763**	**-**	**-**	**57,819**
	2014	-	44,054	-	-	68,500	112,554
Warren R. Bingham[5] *Non-Executive Director*	**2015**	**-**	**25,000**	**-**	**-**	**-**	**25,000**
	2014	-	-	-	-	-	-
Damien M. Haakman[6] *Non-Executive Director*	**2015**	**45,689**	**165,000**	**-**	**-**	**-**	**210,689**
	2014	37,917	300,000	-	-	-	337,917
Craig J. Holland[7] *Non-Executive Director*	**2015**	**-**	**37,667**	**-**	**-**	**-**	**37,667**
	2014	-	-	-	-	-	-
Peter C. Cook[8] *Former Non-Exec. Chair.*	**2015**	**28,787**	**-**	**2,735**	**-**	**-**	**31,522**
	2014	40,139	-	3,713	-	-	43,852
Maxwell C. Lloyd-Jones[9] *Former Non-Exec. Chair.*	**2015**	**-**	**-**	**-**	**-**	**-**	**-**
	2014	54,667	-	-	-	-	54,667
Sub-totals for Directors	**2015**	**529,410**	**427,775**	**45,953**	**21,008**	**-**	**1,024,146**
	2014	395,223	929,037	27,994	14,582	803,083	2,169,919

TRANSACTIONS BETWEEN RELATED PARTIES CONTINUED

Payments made to Directors and NEOs during the year ended June 30, 2015 CONTINUED

Name and title of NEOs	Period	Short-term Salary/fees $	Short-term Other $	Long-term Post-employment Superannuation $	Long-term Long service leave $	Long-term Share-based Options $	Totals $
Thomas G. Howitt *Chief Financial Officer / Company Secretary*	**2015**	**243,417**	**10,919**	**18,783**	**-**	**100,050**	**373,169**
	2014	52,019	-	4,444	-	68,500	124,963
Peter J. Curran *Chief Technology Officer*	**2015**	**254,527**	**-**	**24,180**	**15,239**	**136,950**	**430,896**
	2014	220,000	20,000	22,200	-	-	262,200
Christopher R. Southerland[10] *VP, US Sales and Marketing*	**2015**	**116,227**	**14,296**	**-**	**-**	**75,800**	**206,323**
	2014	-	-	-	-	-	-
Charles B. Cornish[11] *Director, Sales and Marketing ANZ*	**2015**	**-**	**126,500**	**-**	**-**	**14,500**	**141,000**
	2014	-	-	-	-	-	-
Edward W. Nixey[12] *General Counsel*	**2015**	**36,837**	**-**	**3,500**	**-**	**-**	**40,337**
	2014	-	-	-	-	-	-
Paul Won[13] *VP, Man. and Supply Chain*	**2015**	**133,339**	**-**	**12,667**	**-**	**58,000**	**204,006**
	2014	-	-	-	-	-	-
Sub-totals for NEOs	**2015**	**784,347**	**151,715**	**59,130**	**15,239**	**385,300**	**1,395,731**
	2014	272,019	20,000	26,644	-	68,500	387,163
Total payments made to Directors and NEOs	**2015**	**1,313,757**	**579,490**	**105,083**	**36,247**	**385,300**	**2,419,877**
	2014	667,242	949,037	54,638	14,582	871,583	2,557,082

The amounts included in the tables above in respect of the year ended June 30, 2015 include amounts paid by the Company and its subsidiaries to the individuals named and/or parties related to them, as disclosed below. The comparative information, in respect of the year ended June 30, 2014, includes amounts paid by Simavita Holdings Limited which was acquired by the Company on December 3, 2013.

1. Mr. Brown was appointed as a Non-Executive Director of the Company and as the Non-Executive Chairman of the Board on January 7, 2015.

2. During the period from July 1, 2014 up to the date on which Mr. Brown was appointed as a Non-Executive Director of the Company, certain payments totalling $117,000 were paid by the Company to Integrated Equity Pty. Ltd., a company associated with Mr. Brown, in respect of consulting services provided to the Company in relation to its capital raising in July 2014 and other corporate matters. In addition to these payments, during the same period, a total of 500,000 options were granted to Integrated Equity Pty. Ltd. which had a total share-based payments expense of $93,500. The consulting arrangement between the Company and Integrated Equity Pty. Ltd. was terminated with effect from December 31, 2014. In respect of the year ended June 30, 2014, an amount of $443,563 was paid to Integrated Equity Pty. Ltd. which comprised capital raising fees totalling $338,563 and corporate advisory fees totalling $105,000.

3. Payments made to Mrs. Lewis during the year ended June 30, 2015 totalling $197,191 (as disclosed above under the heading “Other”) comprised a dislocation and hardship allowance of $70,000 and certain expense payment fringe benefits totalling $67,411 (together with the associated fringe benefits tax of $59,780). In respect of the year ended June 30, 2014, an amount of $584,983 was paid which comprised a dislocation and hardship allowance of $52,500, certain expense payment fringe benefits totalling $31,581 (together with the associated fringe benefits tax of $27,708), as well as payments totalling of $473,194 to Dumur Asia Pacific Pty. Ltd., a company associated with Mrs. Lewis, comprising management and other fees of $189,694, capital raising fees of $208,500 and bonuses totalling $75,000.

TRANSACTIONS BETWEEN RELATED PARTIES CONTINUED

Payments made to Directors and NEOs during the year ended June 30, 2015 CONTINUED

4. Following the appointment of Mr. Brown as a Non-Executive Director of the Company and as the Non-Executive Chairman of the Board on January 7, 2015, Mr. Bergman relinquished the role of Acting Non-Executive Chairman effective from January 7, 2015 but remained on the Board as a Non-Executive Director. Payments made to Mr. Bergman during the year ended June 30, 2015 totalling $2,917 (as disclosed above under the heading "Other") comprised fees paid to Estley Pty. Ltd., a company associated with Mr. Bergman (2014: $44,054), in respect of services provided to the Company by Mr. Bergman as a Director.

5. Mr. Bingham was appointed as a Non-Executive Director of the Company on May 21, 2015. Payments made to Mr. Bingham during the year ended June 30, 2015 totalling $25,000 (as disclosed above under the heading "Other") comprised fees paid to MedTech International Pty. Ltd., a company associated with Mr. Bingham, in respect of services provided to the Company by Mr. Bingham as a Director.

6. Payments made to Mr. Haakman during the year ended June 30, 2015 totalling $165,000 (as disclosed above under the heading "Other") comprised fees paid to Dussman Pty. Ltd., a company associated with Mr. Haakman, in respect of services provided to the Company in relation to its capital raising in July 2014. In respect of the year ended June 30, 2014, an amount of $300,000 was paid to Dussman Pty. Ltd., comprising $180,000 in commission payments made in respect of the Company's capital raising in November 2013 and interest and related fees paid in respect of loans made by Dussman Pty. Ltd. to the Company of $120,000.

7. Mr. Holland was appointed as a Non-Executive Director of the Company on November 14, 2014. Payments made to Mr. Holland during the year ended June 30, 2015 totalling $37,667 (as disclosed above under the heading "Other") comprised fees paid to Jackham Investments Pty. Ltd., a company associated with Mr. Holland, in respect of services provided to the Company by Mr. Holland as a Director.

8. Mr. Cook was appointed as a Director of the Company on November 20, 2013 and subsequently as the Non-Executive Chairman of the Board on January 31, 2014. He resigned from the Board on September 12, 2014.

9. 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.

10. Mr. Southerland was appointed as Vice President, US Sales and Marketing on March 16, 2015. Payments made to Mr. Southerland during the year ended June 30, 2015 totalling $14,296 (as disclosed above under the heading "Other") comprised social security payments and reimbursement of medical insurance premiums.

11. Mr. Cornish was appointed as Director, Sales and Marketing Australia and New Zealand on March 1, 2015. Payments made to Mr. Cornish during the year ended June 30, 2015 totalling $126,500 (as disclosed above under the heading "Other") comprised fees paid to Healthy Holdings Pty. Ltd., a company associated with Mr. Cornish, in respect of sales and marketing services provided to the Company by Mr. Cornish.

12. Mr. Nixey was appointed as General Counsel on April 27, 2015.

13. Mr. Won was appointed as Vice President, Manufacturing and Supply Chain on October 27, 2014.

Apart from the above, there were no other transactions between the Company and any related parties during the year ended June 30, 2015.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS CONTINUED

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.

Reverse Takeover

The Company's acquisition of Simavita Holdings Limited on December 3, 2013 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.

CHANGES IN ACCOUNTING POLICIES

The following standards have been adopted for the first time for the year beginning on or after July 1, 2014:

- IAS 32 *Financial Instruments*: *Presentation* has been amended to clarify the requirements for offsetting financial assets and liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the group financial statements.
- IAS 36 *Impairment of Assets* has been amended to require additional disclosures in the event of recognizing an impairment of assets. The Group did not recognize an impairment of assets as at or during the year ended June 30, 2015 and, as a result, the adoption of this amendment did not impact the Company's financial statement disclosures.
- IFRIC 21 *Levies* sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 "Provisions". The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

The following standards and amendments to standards and interpretations are effective for annual periods beginning after July 1, 2015 and have not been applied in preparing these consolidated financial statements:

- IFRS 15 *Revenue from Contracts with Customers* provides clarification for recognizing revenue from contracts with customers and establishes a single revenue recognition and measurement framework that applies to contracts with customers. The new standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. Management is currently assessing the potential impact of the adoption of IFRS 15 on the Company's financial statements.
- IFRS 9 *Financial Instruments* is intended to replace IAS 39 *Financial Instruments: Recognition and Measurement* and uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial liabilities designated at fair value through profit or loss, a company can recognize the portion of the change in fair value related to the change in the company's own credit risk through other comprehensive income rather than profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39, and incorporates new hedge accounting requirements. The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

OTHER MD&A REQUIREMENTS

Additional Disclosure for Venture Issuers without Significant Revenue

Details pertaining to the expenses incurred by the Company during the year ended June 30, 2015 are provided above under the heading *Discussion of Operations*. Prior to its acquisition of Simavita Holdings Limited, no external investor relations activities were carried out by the Company.

The Company maintains a web site at www.simavita.com which provides shareholders with the opportunity to review published financial reports, news releases, corporate profiles, project details and other information.

The material expenses incurred by the Group during the years ended June 30, 2015 and June 30, 2014, as disclosed in the Statement of Comprehensive Loss, contain the following items:

	June 30, 2015 $	June 30, 2014 $
General and administration		
Employee benefits	**(2,329,258)**	(1,448,512)
Travel	**(415,253)**	(561,344)
Consultants fees	**(432,708)**	(729,930)
Audit and tax fees	**(164,960)**	(145,091)
Insurance	**(166,366)**	(110,119)
Legal expenses	**(147,163)**	(49,253)
Depreciation and amortization	**(130,216)**	(139,899)
Write off of inventory	-	(202,186)
Other	**(623,720)**	(1,085,755)
	(4,409,644)	**(4,472,089)**
Research and development		
Employee benefits	**(1,553,999)**	(1,107,399)
Patent and R&D support and development fees	**(899,937)**	(913,832)
	(2,453,936)	**(2,021,231)**
Sales, marketing and distribution		
Employee benefits	**(2,321,465)**	(1,532,431)
Travel	**(450,109)**	(145,794)
Consultants fees	**(269,825)**	-
Marketing and advertising	**(324,500)**	-
Other	**(331,200)**	(37,539)
	(3,697,099)	**(1,715,764)**

OUTSTANDING SHARE DATA

Summary of shares issued and outstanding

	Number of shares	Amount $
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 for cash	7,876,832	3,504,968
Equity transaction costs	-	(2,663,096)
Balance at July 1, 2014	65,653,326	43,935,952
Issue of common shares for cash	25,019,706	11,258,867
Issue of common shares for cash under Share Purchase Plan	1,572,201	707,500
Equity transaction costs	-	(571,471)
Balance at June 30, 2015	**92,245,233**	**55,330,848**

As of the date of this MD&A, being August 20, 2015, there was a total of 92,245,233 common shares in the Company on issue, of which a total of 32,888,203 were held in the form of common shares and 59,357,030 were held in the form of CDIs.

Summary of warrants outstanding

As of the date of this MD&A, being August 20, 2015, the following warrants had been granted in respect of the Company's previous 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 of the date of this MD&A, being August 20, 2015, the following warrants had been granted to Medline Industries, Inc. ("Medline") in respect of the Company's distribution arrangements with Medline (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	January 31, 2019	$0.206
Tranche Two	1,444,412	(refer note 1)	January 1, 2015	January 31, 2019	N/A
Tranche Three	1,444,412	(refer note 2)	January 1, 2016	January 31, 2019	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 TSX Venture 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 TSX Venture 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 between the Company and Medline). All warrants vested immediately on the date of grant.

OUTSTANDING SHARE DATA CONTINUED

Summary of options outstanding

As of the date of this MD&A, being August 20, 2015, 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
1,023,500	$0.70	August 19, 2014	July 31, 2018	$0.267
500,000	$0.62	October 28, 2014	July 1, 2017	$0.187
1,490,000	$0.68	April 9, 2015	March 31, 2019	$0.145
100,000	$0.51	April 9, 2015	March 31, 2019	$0.190
200,000	$0.63	April 9, 2015	March 31, 2019	$0.156
200,000	$0.76	April 9, 2015	March 31, 2019	$0.128
193,000	$0.70	July 7, 2015	June 30, 2019	$0.195

DIRECTORS AND OFFICERS

As of the date of this MD&A, being August 20, 2015, the names of the Directors and Officers of the Company are set out below. Mr. Holland was appointed as a Director of the Company on November 14, 2014, while Mr. Brown was appointed as a Director of the Company and as its Chairman of the Board on January 7, 2015. Mr. Bingham was appointed as a Director of the Company on May 21, 2015.

- Michael W. Brown – Chairman
- Philippa M. Lewis – Director and CEO
- Ari B. Bergman – Director
- Warren R. Bingham – Director
- Damien M. Haakman – Director
- Craig J. Holland – 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 effect on the Company. The Company maintains “key-man” insurance in respect of Mrs. Lewis as CEO.

FORWARD-LOOKING STATEMENTS

This MD&A contains “forward-looking information”. Forward-looking statements in this document include statements regarding possible future acquisitions, spending plans, possible financing plans, current strategies and ongoing adjustments to these strategies providing the potential for revenue opportunities such as potential new products leveraging off the Company’s underling platform technology; revenue growth in the next fiscal year; the use of proceeds from the recent financings; the Company’s strategy, future operations, prospects and plans of management; and estimates of the length of time the Company’s business will be funded by anticipated financial resources. In connection with the forward-looking information contained in this MD&A, the Company has made numerous assumptions, regarding, among other things, the timing and quantum of revenue generated through sales of the Company’s products; the outcome of the collaborations with third parties, the sufficiency of budgeted expenditures in carrying out planned activities; the availability and cost of labour and services; the use of pilot sites of the Company’s SIM™ solution leading to further negotiations with a number of potential users of the Group’s products; and expected growth of sales. 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.

FORWARD-LOOKING STATEMENTS CONTINUED

Additionally, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Factors that could cause actual results to differ materially from those in forward-looking statements include general economic, market or business conditions; the partnerships and collaborations with third parties may not benefit the Company as currently anticipated, or at all; the Company may not be able to sustain or increase revenues achieved during the current reporting period; the Company may not adopt successful distribution strategies or marketing methods; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; unpredictability of the commercial success of our products; competition in the global economic market; reliance on a number of key employees; limited operating history; the possibility of claims against the intellectual property rights of the Company; the possibility of infringements upon the intellectual property rights of the Company; the Company may not have sufficiently budgeted for expenditures necessary to carry out planned activities; future operating results are uncertain and likely to fluctuate; the Company may not have the ability to raise additional financing required to carry out its business objectives on commercially acceptable terms, or at all; and volatility of the market price of the Company's shares. 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.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

Consolidated Statement of Comprehensive Loss

for the year ended June 30, 2015

	Notes	Consolidated June 30, 2015 $	June 30, 2014 $
Revenue		**778,574**	349,895
Cost of sales		**(302,576)**	(95,453)
Gross profit		**475,998**	254,442
Other revenue	5	**221,744**	216,392
Expenses			
Finance costs		**-**	(320,603)
General and administration		**(4,409,644)**	(4,472,089)
Loss on acquisition	2	**-**	(792,397)
Occupancy costs		**(380,206)**	(331,437)
Research and development		**(2,453,936)**	(2,021,231)
Sales, marketing and distribution		**(3,697,099)**	(1,715,764)
Share-based payments expense		**(715,763)**	(1,302,333)
Transaction expenses		**-**	(1,221,125)
Loss before income tax		**(10,958,906)**	(11,706,145)
Income tax benefit	8	**1,495,697**	1,214,355
Loss for the year		**(9,463,209)**	(10,491,790)
Other comprehensive income			
Items that may be subsequently reclassified to profit/(loss)			
Translation of foreign operations		**12,774**	(22,783)
Total comprehensive loss for the year		**(9,450,435)**	(10,514,573)
Basic and diluted loss per common share	7	**(0.12)**	(0.34)

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

Consolidated Statement of Financial Position

as at June 30, 2015

	Notes	Consolidated June 30, 2015 $	Consolidated June 30, 2014 $
Assets			
Current Assets			
Cash and cash equivalents	10	**9,027,722**	6,844,197
Trade and other receivables	11	**1,612,614**	1,397,009
Inventories	12	**345,912**	313,809
Other assets	13	**159,534**	50,716
Total Current Assets		**11,145,782**	8,605,731
Non-Current Assets			
Property, plant and equipment	14	**204,488**	114,436
Intangible assets	15	**66,539**	69,757
Total Non-Current Assets		**271,027**	184,193
Total Assets		**11,416,809**	8,789,924
Liabilities and Shareholders' Equity			
Liabilities			
Current Liabilities			
Trade and other payables	16	**857,970**	1,022,823
Provisions	18	**298,466**	193,297
Total Current Liabilities		**1,156,436**	1,216,120
Non-Current Liabilities			
Provisions	18	**69,386**	43,041
Total Non-Current Liabilities		**69,386**	43,041
Total Liabilities		**1,225,822**	1,259,161
Shareholders' Equity			
Share capital	19	**55,330,848**	43,935,952
Reserves	20	**3,478,067**	2,749,530
Retained losses	21	**(48,617,928)**	(39,154,719)
Total Shareholders' Equity		**10,190,987**	7,530,763
Total Liabilities and Shareholders' Equity		**11,416,809**	8,789,924

Approved and authorized by the Board on August 20, 2015

CRAIG J. HOLLAND
Director and Chairman, Audit and Risk Committee

PHILIPPA M. LEWIS
Director and Chief Executive Officer

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

Consolidated Statement of Changes in Equity

for the year ended June 30, 2015

	Share capital $	Reserves $	Retained losses $	Totals $
Balance at July 1, 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/(loss) 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
Net loss for the year	-	-	(9,463,209)	(9,463,209)
Movement in share-based payments reserve	-	715,763	-	715,763
Other comprehensive income, net of tax	-	12,774	-	12,774
Total comprehensive income/(loss) for the year	-	728,537	(9,463,209)	(8,734,672)
Transactions with owners				
Issue of common shares for cash	11,966,367	-	-	11,966,367
Equity transaction costs	(571,471)	-	-	(571,471)
Total transactions with owners	11,394,896	-	-	11,394,896
Balance at June 30, 2015	**55,330,848**	**3,478,067**	**(48,617,928)**	**10,190,987**

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

Consolidated Statement of Cash Flows

for the year ended June 30, 2015

	Notes	Consolidated June 30, 2015 $	June 30, 2014 $
Cash flows from/(used in) operating activities			
Loss for the year		**(9,463,209)**	(10,491,790)
Non-cash items			
Depreciation and amortization		**130,216**	139,899
Share-based payments expense		**715,763**	1,302,333
Net gain on sale of plant and equipment		**(10,109)**	-
Unrealised foreign exchange movements		**(127)**	-
Loss on acquisition	2	**-**	792,397
Changes in assets and liabilities			
(Increase)/decrease in receivables		**(215,605)**	(250,203)
(Increase)/decrease in inventories		**(32,103)**	18,064
(Increase)/decrease in other assets		**(108,818)**	(38,404)
Increase/(decrease) in payables		**(164,853)**	280,046
Increase/(decrease) in provisions		**131,514**	46,139
Net liabilities acquired	2	**-**	(86,081)
Net cash flows from/(used in) operating activities		**(9,017,331)**	(8,287,600)
Cash flows from/(used in) investing activities			
Purchases of plant and equipment		**(191,526)**	(97,756)
Purchases of intangible assets		**(25,524)**	(17,042)
Proceeds from the sale of plant and equipment		**10,109**	-
Cash received on reverse takeover		**-**	162,542
Net cash flows from/(used in) investing activities		**(206,941)**	47,744
Cash flows from/(used in) financing activities			
Proceeds from the issue of shares by the Company		**11,966,367**	3,504,968
Proceeds from the issue of shares by Simavita Holdings Limited		**-**	15,899,963
Equity transaction costs		**(571,471)**	(2,663,096)
Repayment of borrowings		**-**	(2,384,161)
Net cash flows from/(used in) financing activities		**11,394,896**	14,357,674
Net increase in cash and cash equivalents held		**2,170,624**	6,117,818
Cash and cash equivalents at the beginning of year		**6,844,197**	737,978
Net foreign exchange differences on cash and cash equivalents		**12,901**	(11,599)
Cash and cash equivalents at the end of year	10	**9,027,722**	6,844,197

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

Notes to the Consolidated Financial Statements
for the year ended June 30, 2015

1. NATURE AND CONTINUANCE OF OPERATIONS

Simavita 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, 2015 comprise Simavita Limited and its subsidiaries (together referred to as the "Group" and individually as "Group Entities") and have been prepared in accordance with IFRS, as applicable to the preparation of interim financial statements including IAS 34 "Interim Financial Reporting", and should be read in conjunction with the financial statements for the year ended June 30, 2014 which have been prepared in accordance with IFRS, as issued by the IASB. Simavita Limited is the ultimate parent entity of the Group.

The Group's 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 and European marketplaces, through existing distribution arrangements, and also in Australia. Simavita's operations are located in North 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. 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. There has been no change in the accounting treatment used in the preparation of these consolidated financial statements.

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.

Going concern

During the financial year ended June 30, 2015, the Group incurred a total comprehensive loss after income tax of $9,450,435 (2014: $10,514,573) and net cash outflows from operations of $9,017,331 (2014: $8,287,600). As at June 30, 2015, the Group held total cash and cash equivalents of $9,027,722 (2014: $6,844,197).

During the 2016 financial year, the Company plans to increase sales of its SIM™ solution through both direct sales and sales made via distribution agreements with distributors in Australia, North America and Europe. There is uncertainty around both the timing of these sales and the rate of growth of SIM™ in these markets and, therefore, uncertainty around the ability of the Company to fund expected cash outflows from operations in the 2016 financial year.

The continuing viability of the Company and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the following events occurring:

- The Company successfully raising further capital from the issue of new common shares/CDIs; and
- Increasing sales of the Company's SIM™ solution in Australia, North America and Europe; or
- Various cost containment and deferment strategies.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Directors believe that the Company will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(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 (AUD).

(c) Changes in accounting policies

The following standards have been adopted by the Group for the first time for the financial year beginning on or after July 1, 2014:

- IAS 32 *Financial Instruments*: *Presentation* has been amended to clarify the requirements for offsetting financial assets and liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group's financial statements.
- IAS 36 *Impairment of Assets* has been amended to require additional disclosures in the event of recognizing an impairment of assets. The Group did not recognize an impairment of assets as at or during the year ended June 30, 2015 and, as a result, the adoption of this amendment did not impact the Company's financial statement disclosures.
- IFRIC 21 *Levies* sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 "Provisions". The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. The Group is not currently subjected to significant levies so the impact on the Group is not material.

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

The following standards and amendments to standards and interpretations are effective for annual periods beginning after July 1, 2015 and have not been applied in preparing these consolidated financial statements:

- IFRS 15 *Revenue from Contracts with Customers* provides clarification for recognizing revenue from contracts with customers and establishes a single revenue recognition and measurement framework that applies to contracts with customers. The new standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. Management is currently assessing the potential impact of the adoption of IFRS 15 on the Company's financial statements.
- IFRS 9 *Financial Instruments* is intended to replace IAS 39 *Financial Instruments: Recognition and Measurement* and uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial liabilities designated at fair value through profit or loss, a company can recognize the portion of the change in fair value related to the change in the company's own credit risk through other comprehensive income rather than profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39, and incorporates new hedge accounting requirements. The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

(e) Earnings per share ("EPS")

Basic EPS is calculated by dividing the profit/(loss) 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 at the end of 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(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) 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.

(h) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(i) 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 granted to terminated employees as forfeitures.

(j) 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 is it 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 realized 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 year

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(j) Income tax CONTINUED

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, 2015, 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.

(k) Research and development tax incentive

The Company’s research and development activities are eligible for tax incentives under an Australian Federal Government R&D tax incentive plan. A refundable tax offset of 45% of qualifying research and development expenditure is available to eligible small companies with an annual aggregate turnover of less than $20 million. The Company has assessed these activities and expenditure to determine which are likely to be eligible under the incentive scheme and for the period ended June 30, 2015 and has recorded an amount of $1,339,584 (2014: $1,214,355).

(l) 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.

(m) Cash and cash equivalents

Cash and cash equivalents 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.

(n) 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.

(o) 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.

(p) 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
- Furniture and fittings – 5 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(p) Property, plant and equipment CONTINUED

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.

(q) Intangible assets

Patents

Patents held by the Group, which are used in the manufacture of its incontinence system and electronic device 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.

(r) 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 an 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.

(s) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(t) 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.

(u) 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.

(v) 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.

(w) 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.

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.

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.

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, 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.

Reverse Takeover

The Company's acquisition of Simavita Holdings Limited on December 3, 2013 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.

	Consolidated	
	June 30, 2015 $	June 30, 2014 $
5. OTHER REVENUE		
Interest revenue	**191,386**	121,183
Foreign currency gain/(loss)	**20,249**	(23,407)
Net gain on sale of plant and equipment	**10,109**	-
Government grant	**-**	118,616
Total other revenue	**221,744**	216,392
6. EXPENSES		
Depreciation of fixed assets	**101,474**	115,929
Amortization of intangible assets	**28,742**	23,970
Total depreciation and amortization	**130,216**	139,899
Employee benefits expenses	**6,204,721**	4,545,658
Research and development expenses (excluding employee benefits)	**899,937**	913,832

Note: *Employee benefits expenses represent all salaries, bonuses and associated on-costs attributable to employees of the Group, which have been allocated across their respective functions in the statement of comprehensive loss.*

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	**(9,463,209)**	(10,491,790)
Weighted average number of shares used in calculating loss per share	**77,214,107**	30,430,727

Note: *None of the 14,144,119 (2014: 9,186,207) options and 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, 2015 $	June 30, 2014 $

8. INCOME TAX

Reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	**(10,958,906)**	(11,706,145)
Tax at the Australian tax rate of 30% (2014: 30%)	**(3,287,672)**	(3,511,843)
Tax effect of adjustments relating to non-temporary differences		
Research and development expenses	**893,056**	809,570
Share-based payments expense	**214,729**	390,700
Deductible transaction expenses	**-**	(6,351)
Loss on acquisition	**-**	237,719
	(2,179,887)	(2,080,205)
Tax effect of adjustments relating to temporary differences		
Deductible equity transaction costs	**(290,949)**	(158,515)
Net movements in provisions and payables	**96,470**	14,306
Accrued interest receivable	**3,600**	(5,624)
Unrealised foreign exchange gain	**(1,403)**	-
Net non-deductible transaction and interest expenses	**-**	316,468
	(2,372,169)	(1,913,570)
Tax rate differential due to other tax jurisdictions	**(77,384)**	(35,774)
	(2,449,553)	(1,949,344)
Tax losses not recognized	**2,449,553**	1,949,344
	-	-
Research and development tax incentive	**1,495,697**	1,214,355
Income tax benefit	**1,495,697**	1,214,355
Deferred tax assets / (liabilities)		
Equity transaction costs	**860,277**	634,062
Provisions and payables	**129,724**	70,901
Accrued expenses	**94,747**	22,200
Other	**6,712**	(5,624)
Transaction expenses	**-**	345,724
	1,091,460	1,067,263
Deferred tax assets on temporary differences not brought to account	**(1,091,460)**	(1,067,263)
Total net deferred tax assets	**-**	-
Tax losses		
Australia	**9,528,430**	7,663,555
Canada	**462,669**	298,973
United States of America	**468,447**	51,473
Total deferred tax assets on tax losses not recognized	**10,459,546**	8,014,001

8. INCOME TAX CONTINUED

Subject to the Group continuing to meet the relevant statutory tests, tax losses are available for offset against future taxable income. As at balance date, there are unrecognized tax losses with a benefit of approximately $10,459,546 (2014: $8,014,001) 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, 2015, 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 declared or paid in the foreseeable future. Rather, the Company intends to retain any earnings to finance its future growth and development.

Any future payment of cash dividends will be dependent upon, amongst other things, the Company's future earnings, financial condition, capital requirements, and such other factors as the Board of Directors may deem relevant at that time.

	Consolidated	
	June 30, 2015 $	June 30, 2014 $
10. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	**4,027,722**	3,291,355
Short-term deposits	**5,000,000**	3,552,842
Total cash and cash equivalents	**9,027,722**	6,844,197
11. TRADE AND OTHER RECEIVABLES		
Trade receivables	**169,459**	58,768
GST receivable	**91,571**	105,141
Accrued interest receivable	**12,000**	18,745
Research and development tax concession receivable	**1,339,584**	1,214,355
Total trade and other receivables	**1,612,614**	1,397,009

Note: *All trade and other receivables for the Group include amounts due in Australian dollars of $1,584,806 (2014: $1,397,009) and European Euros of EUR 19,192 (2014: Nil). 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, 2015 $	June 30, 2014 $

12. INVENTORIES

Finished goods and raw materials	**345,912**	313,809
Total inventories	**345,912**	313,809

13. OTHER ASSETS

Prepayments	**116,314**	25,582
Deposits	**43,220**	25,134
Total other assets	**159,534**	50,716

14. PROPERTY, PLANT AND EQUIPMENT

Office equipment, at cost	**314,545**	168,924
Less: accumulated depreciation	**(204,351)**	(151,661)
Net office equipment	**110,194**	17,263
Furniture and fittings, at cost	**84,679**	76,030
Less: accumulated depreciation	**(73,143)**	(64,806)
Net furniture and fittings	**11,536**	11,224
Leasehold improvements, at cost	**78,217**	40,961
Less: accumulated depreciation	**(18,054)**	(1,707)
Net leasehold improvements	**60,163**	39,254
Testing equipment, at cost	**42,108**	42,108
Less: accumulated depreciation	**(28,373)**	(19,749)
Net testing equipment	**13,735**	22,359
Motor vehicles, at cost	**-**	42,599
Less: accumulated depreciation	**-**	(42,599)
Net motor vehicles	**-**	-
Rental assets, at cost	**55,288**	55,288
Less: accumulated depreciation	**(46,428)**	(30,952)
Net rental assets	**8,860**	24,336
Total property, plant and equipment	**204,488**	114,436

	Consolidated	
	June 30, 2015 $	June 30, 2014 $

14. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Reconciliation of property, plant and equipment		
Opening gross carrying amount	**425,910**	531,485
Add: additions purchased during the year	**191,526**	97,756
Less: disposals made during the year	**(42,599)**	(203,331)
Closing gross carrying amount	**574,837**	425,910
Opening accumulated depreciation	**(311,474)**	(347,682)
Add: disposals made during the year	**42,599**	152,137
Less: depreciation expense charged	**(101,474)**	(115,929)
Closing accumulated depreciation	**(370,349)**	(311,474)
Total net property, plant and equipment	**204,488**	114,436

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	17,263	145,621	-	(52,690)	**110,194**
Furniture and fittings	11,224	8,649	-	(8,337)	**11,536**
Leasehold improvements	39,254	37,256	-	(16,347)	**60,163**
Testing equipment	22,359	-	-	(8,624)	**13,735**
Rental assets	24,336	-	-	(15,476)	**8,860**
Totals	114,436	191,526	-	(101,474)	**204,488**

	Consolidated	
	June 30, 2015 $	June 30, 2014 $

15. INTANGIBLE ASSETS

	June 30, 2015 $	June 30, 2014 $
Patents, at cost	**67,690**	67,690
Less: accumulated amortization	**(31,929)**	(23,539)
Total net patents	**35,761**	44,151
Software, at cost	**120,291**	94,767
Less: accumulated amortization	**(89,513)**	(69,161)
Total net software	**30,778**	25,606
Total intangible assets	**66,539**	69,757
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	**(23,539)**	(21,656)
Add: amortization expense charged	**(8,390)**	(1,883)
Closing accumulated amortization	**(31,929)**	(23,539)
Total net patents	**35,761**	44,151
Reconciliation of software		
Opening gross carrying amount	**94,767**	77,725
Add: additions during the year	**25,524**	17,042
Closing gross carrying amount	**120,291**	94,767
Opening accumulated amortization	**(69,161)**	(47,074)
Add: amortization expense charged	**(20,352)**	(22,087)
Closing accumulated amortization	**(89,513)**	(69,161)
Total net software	**30,778**	25,606

16. TRADE AND OTHER PAYABLES

	June 30, 2015 $	June 30, 2014 $
Trade payables	**273,313**	630,888
GST payable	**9,494**	10,535
Accrued expenses	**165,854**	134,065
Payroll-related payables	**369,135**	131,349
Other payables	**40,174**	115,986
Total trade and other payables	**857,970**	1,022,823

Note: Trade payables and other payables for the Group include amounts due in Australian dollars of $814,784 (2014: $883,198), US dollars of USD 16,657 (2014: USD 26,053), Canadian dollars of CAD 17,322 (2014: Nil) and European euros of EUR 2,210 (2014: EUR 76,374). 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.

Simavita

	Consolidated	
	June 30, 2015 $	June 30, 2014 $

17. INTEREST-BEARING LIABILITIES

Balance at the beginning of the year	-	10,147,143
Interest accrued during the year	-	249,885
Repayment of borrowings	-	(2,384,161)
Conversion of borrowings into equity	-	(7,885,514)
Conversion of Directors' loans into equity	-	(127,353)
Balance at the end of the year	-	-

18. PROVISIONS

Annual leave	**298,466**	193,297
Long service leave	**69,386**	43,041
Total provisions	**367,852**	236,338
Reconciliation of annual leave provision		
Balance at the beginning of the year	**193,297**	190,199
Add: obligation accrued during the year	**284,049**	179,501
Less: balance utilized during the year	**(178,880)**	(176,403)
Balance at the end of the year	**298,466**	193,297
Reconciliation of long service leave provision		
Balance at the beginning of the year	**43,041**	-
Add: obligation accrued during the year	**26,345**	43,041
Balance at the end of the year	**69,386**	43,041

19. SHARE CAPITAL

Summary of common shares issued and outstanding

	Number of common shares	Amount $
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 for cash	7,876,832	3,504,968
Equity transaction costs	-	(2,663,096)
Balance at July 1, 2014	65,653,326	43,935,952
Issue of common shares for cash	25,019,706	11,258,867
Issue of common shares for cash under Share Purchase Plan	1,572,201	707,500
Equity transaction costs	-	(571,471)
Balance at June 30, 2015	**92,245,233**	**55,330,848**

As of the date of these financial statements, being August 20, 2015, there was a total of 92,245,233 common shares in the Company on issue, of which a total of 32,888,203 were held as common shares and 59,357,030 were held as CDIs.

Summary of warrants outstanding

As of the date of these financial statements, being August 20, 2015, the following warrants had been granted as part of the Company's capital raisings:

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

As of the date of these financial statements, being August 20, 2015, the following warrants had been granted to Medline Industries, Inc. ("Medline") as part of the Company's distribution arrangements with that company:

Tranche	Number	Exercise price	Grant date	Expiry date	Fair value
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.

19. SHARE CAPITAL CONTINUED

Summary of options outstanding

As at June 30, 2015, a total of 10,390,164 options over common shares in the Company were outstanding.

The movements in the number of options outstanding during the year ended June 30, 2015 are as follows:

	2015	Weighted ave. exercise price	2014	Weighted ave. exercise price
Balance at the beginning of the year	**6,876,664**	**$0.59**	-	-
Add: options granted during the year	**3,727,500**	**$0.68**	6,876,664	$0.59
Less: options exercised during the year	**-**	**-**	-	-
Less: options forfeited/expired during the year	**(214,000)**	**$0.70**	-	-
Balance at the end of the year	**10,390,164**	**$0.62**	6,876,664	$0.59
Exercisable at the end of the year	**3,513,500**	**$0.67**	-	-

The numbers of options outstanding as at June 30, 2015, including the respective dates of expiry and exercise prices, are tabled below (refer Note 22 for further information). The options are not listed on the TSX-V or the ASX.

Number	Exercise price	Grant date	Expiry date	Fair value
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
500,000	$0.62	October 28, 2014	July 1, 2017	$0.187
1,023,500	$0.70	August 19, 2014	July 31, 2018	$0.267
1,490,000	$0.68	April 9, 2015	March 31, 2019	$0.145
100,000	$0.51	April 9, 2015	March 31, 2019	$0.190
200,000	$0.63	April 9, 2015	March 31, 2019	$0.156
200,000	$0.76	April 9, 2015	March 31, 2019	$0.128

	Consolidated	
	June 30, 2015 $	June 30, 2014 $
20. RESERVES		
Share-based payments reserve	**2,992,676**	2,276,913
Share capital reserve	**499,445**	499,445
Foreign currency reserve	**(14,054)**	(26,828)
Total reserves	**3,478,067**	2,749,530
21. RETAINED LOSSES		
Balance at the beginning of the year	**(39,154,719)**	(28,662,929)
Add: net loss attributable to owners of Simavita Limited	**(9,463,209)**	(10,491,790)
Balance at the end of the year	**(48,617,928)**	(39,154,719)

22. EMPLOYEE BENEFITS

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. On December 3, 2014, the shareholders of the Company approved further changes to the Plan pursuant to which the maximum number of options that can be issued under the Plan was increased to 14,745,548.

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, which vested immediately on the date of grant, entitles the holder to acquire one common share at a cost of between $0.41 and $0.82.

During the year ended June 30, 2015, a total of 3,727,500 options over common shares in the Company were granted, at no cost, to various employees and consultants of the Company. Each option, which vested immediately on the date of grant, entitles the holder to acquire one common share at a cost of between $0.51 and $0.76. Also during the year ended June 30, 2015, a total of 214,000 options that had been granted to former employees were forfeited and cancelled.

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 years ended June 30, 2015 and 2014:

	2015	2014
Historic volatility and expected volatility	**50% to 75%**	60%
Option exercises prices	**$0.51 to $0.76**	$0.41 to $0.82
Weighted average exercise price	**$0.68**	$0.59
Risk-free interest rate	**1.73% to 3.12%**	3.03%
Expected life of an option	**2.5 years to 4.5 years**	3 years

Superannuation commitments

In respect of the year ended June 30, 2015, the Group made statutory contributions to various superannuation funds on behalf of all employees in Australia at a rate of up to 9.5% per annum, in addition to making other superannuation contributions as part of salary packaging arrangements with staff. All contributions are expensed when incurred. Contributions made by the Group of up to 9.5% per annum of employees' salaries are legally enforceable in Australia.

23. RELATED PARTY TRANSACTIONS

Details of Directors and Key Management Personnel ("KMP") as at balance date

Directors	Key Management Personnel
Michael W. Brown Non-Executive Chairman	**Thomas G. Howitt** Chief Financial Officer / Company Secretary
Philippa M. Lewis Chief Executive Officer	**Peter J. Curran** Chief Technology Officer
Ari B. Bergman Non-Executive	**Christopher R. Southerland** Vice President, US Sales and Marketing
Warren R. Bingham Non-Executive	**Charles B. Cornish** Director, Sales and Marketing ANZ
Damien M. Haakman Non-Executive	**Edward W. Nixey** General Counsel
Craig J. Holland Non-Executive	**Paul Won** Vice President, Manufacturing and Supply Chain

23. RELATED PARTY TRANSACTIONS CONTINUED

Payments made to Directors and KMP during the year ended June 30, 2015

Name and title of Directors	Year	Short-term Salary/fees $	Short-term Other $	Long-term Post-employment Superannuation $	Long-term Long service leave $	Long-term Share-based Options $	Totals $
Michael W. Brown[1, 2]	**2015**	**54,795**	**-**	**5,205**	**-**	**-**	**60,000**
Non-Executive Chairman	2014	-	-	-	-	-	-
Philippa M. Lewis[3]	**2015**	**350,000**	**197,191**	**33,250**	**21,008**	**-**	**601,449**
Chief Executive Officer	2014	262,500	584,983	24,281	14,582	734,583	1,620,929
Ari B. Bergman[4]	**2015**	**50,139**	**2,917**	**4,763**	**-**	**-**	**57,819**
Non-Executive Director	2014	-	44,054	-	-	68,500	112,554
Warren R. Bingham[5]	**2015**	**-**	**25,000**	**-**	**-**	**-**	**25,000**
Non-Executive Director	2014	-	-	-	-	-	-
Damien M. Haakman[6]	**2015**	**45,689**	**165,000**	**-**	**-**	**-**	**210,689**
Non-Executive Director	2014	37,917	300,000	-	-	-	337,917
Craig J. Holland[7]	**2015**	**-**	**37,667**	**-**	**-**	**-**	**37,667**
Non-Executive Director	2014	-	-	-	-	-	-
Peter C. Cook[8]	**2015**	**28,787**	**-**	**2,735**	**-**	**-**	**31,522**
Former Non-Exec. Chair.	2014	40,139	-	3,713	-	-	43,852
Maxwell C. Lloyd-Jones[9]	**2015**	**-**	**-**	**-**	**-**	**-**	**-**
Former Non-Exec. Chair.	2014	54,667	-	-	-	-	54,667
Sub-totals for Directors	**2015**	**529,410**	**427,775**	**45,953**	**21,008**	**-**	**1,024,146**
	2014	395,223	929,037	27,994	14,582	803,083	2,169,919

Name and title of KMP	Year	Short-term Salary/fees $	Short-term Other $	Long-term Post-employment Superannuation $	Long-term Long service leave $	Long-term Share-based Options $	Totals $
Thomas G. Howitt	**2015**	**243,417**	**10,919**	**18,783**	**-**	**100,050**	**373,169**
Chief Financial Officer / Company Secretary	2014	52,019	-	4,444	-	68,500	124,963
Peter J. Curran	**2015**	**254,527**	**-**	**24,180**	**15,239**	**136,950**	**430,896**
Chief Technology Officer	2014	220,000	20,000	22,200	-	-	262,200
Christopher R. Southerland[10]	**2015**	**116,227**	**14,296**	**-**	**-**	**75,800**	**206,323**
VP, US Sales and Market.	2014	-	-	-	-	-	-
Charles B. Cornish[11]	**2015**	**-**	**126,500**	**-**	**-**	**14,500**	**141,000**
Dir., Sales and Market. ANZ	2014	-	-	-	-	-	-
Edward W. Nixey[12]	**2015**	**36,837**	**-**	**3,500**	**-**	**-**	**40,337**
General Counsel	2014	-	-	-	-	-	-
Paul Won[13]	**2015**	**133,339**	**-**	**12,667**	**-**	**58,000**	**204,006**
VP, Man. and Supply Chain	2014	-	-	-	-	-	-
Sub-totals for KMP	**2015**	**784,347**	**151,715**	**59,130**	**15,239**	**385,300**	**1,395,731**
	2014	272,019	20,000	26,644	-	68,500	387,163
Total payments made to Directors and KMP	**2015**	**1,313,757**	**579,490**	**105,083**	**36,247**	**385,300**	**2,419,877**
	2014	667,242	949,037	54,638	14,582	871,583	2,557,082

23. RELATED PARTY TRANSACTIONS CONTINUED

Payments made to Directors and KMP during the year ended June 30, 2015 CONTINUED

The amounts included in the tables above in respect of the year ended June 30, 2015 include amounts paid by the Company and its subsidiaries to the individuals named and/or to parties related to them, as disclosed below. The comparative information, in respect of the year ended June 30, 2014, includes amounts paid by Simavita Holdings Limited which was acquired by the Company on December 3, 2013.

1. Mr. Brown was appointed as a Non-Executive Director of the Company and as the Non-Executive Chairman of the Board on January 7, 2015.
2. During the period from July 1, 2014 up to the date on which Mr. Brown was appointed as a Non-Executive Director of the Company, certain payments totalling $117,000 were paid by the Company to Integrated Equity Pty. Ltd., a company associated with Mr. Brown, in respect of consulting services provided to the Company in relation to its capital raising in July 2014 and other corporate matters. In addition to these payments, during the same period, a total of 500,000 options were granted to Integrated Equity Pty. Ltd. which had a total share-based payments expense of $93,500. The consulting arrangement between the Company and Integrated Equity Pty. Ltd. was terminated with effect from December 31, 2014. In respect of the year ended June 30, 2014, an amount of $443,563 was paid to Integrated Equity Pty. Ltd. which comprised capital raising fees totalling $338,563 and corporate advisory fees totalling $105,000.
3. Payments made to Mrs. Lewis during the year ended June 30, 2015 totalling $197,191 (as disclosed above under the heading "Other") comprised a dislocation and hardship allowance of $70,000 and certain expense payment fringe benefits totalling $67,411 (together with the associated fringe benefits tax of $59,780). In respect of the year ended June 30, 2014, an amount of $584,983 was paid which comprised a dislocation and hardship allowance of $52,500, certain expense payment fringe benefits totalling $31,581 (together with the associated fringe benefits tax of $27,708), as well as payments totalling of $473,194 to Dumur Asia Pacific Pty. Ltd., a company associated with Mrs. Lewis, comprising management and other fees of $189,694, capital raising fees of $208,500 and bonuses totalling $75,000.
4. Following the appointment of Mr. Brown as a Non-Executive Director of the Company and as the Non-Executive Chairman of the Board on January 7, 2015, Mr. Bergman relinquished the role of Acting Non-Executive Chairman effective from January 7, 2015 but remained on the Board as a Non-Executive Director. Payments made to Mr. Bergman during the year ended June 30, 2015 totalling $2,917 (as disclosed above under the heading "Other") comprised fees paid to Estley Pty. Ltd., a company associated with Mr. Bergman (2014: $44,054), in respect of services provided to the Company by Mr. Bergman as a Director.
5. Mr. Bingham was appointed as a Non-Executive Director of the Company on May 21, 2015. Payments made to Mr. Bingham during the year ended June 30, 2015 totalling $25,000 (as disclosed above under the heading "Other") comprised fees paid to MedTech International Pty. Ltd., a company associated with Mr. Bingham, in respect of services provided to the Company by Mr. Bingham as a Director.
6. Payments made to Mr. Haakman during the year ended June 30, 2015 totalling $165,000 (as disclosed above under the heading "Other") comprised fees paid to Dussman Pty. Ltd., a company associated with Mr. Haakman, in respect of services provided to the Company in relation to its capital raising in July 2014. In respect of the year ended June 30, 2014, an amount of $300,000 was paid to Dussman Pty. Ltd., comprising $180,000 in commission payments made in respect of the Company's capital raising in November 2013 and interest and related fees paid in respect of loans made by Dussman Pty. Ltd. to the Company of $120,000.
7. Mr. Holland was appointed as a Non-Executive Director of the Company on November 14, 2014. Payments made to Mr. Holland during the year ended June 30, 2015 totalling $37,667 (as disclosed above under the heading "Other") comprised fees paid to Jackham Investments Pty. Ltd., a company associated with Mr. Holland, in respect of services provided to the Company by Mr. Holland as a Director.
8. Mr. Cook was appointed as a Director of the Company on November 20, 2013 and subsequently as the Non-Executive Chairman of the Board on January 31, 2014. He resigned from the Board on September 12, 2014.
9. 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.
10. Mr. Southerland was appointed as Vice President, US Sales and Marketing on March 16, 2015. Payments made to Mr. Southerland during the year ended June 30, 2015 totalling $14,296 (as disclosed above under the heading "Other") comprised social security payments and reimbursement of medical insurance premiums.

23. RELATED PARTY TRANSACTIONS CONTINUED

Payments made to Directors and KMP during the year ended June 30, 2015 CONTINUED

11. Mr. Cornish was appointed as Director, Sales and Marketing Australia and New Zealand on March 1, 2015. Payments made to Mr. Cornish during the year ended June 30, 2015 totalling $126,500 (as disclosed above under the heading "Other") comprised fees paid to Healthy Holdings Pty. Ltd., a company associated with Mr. Cornish, in respect of sales and marketing services provided to the Company by Mr. Cornish.

12. Mr. Nixey was appointed as General Counsel on April 27, 2015.

13. Mr. Won was appointed as Vice President, Manufacturing and Supply Chain on October 27, 2014.

Other related party transactions

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

1. Loans totalling $120,491 that were previously made to the Company by Dumur Asia Pacific Pty. Ltd., a company associated with Mrs. 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.

Common shares and CHESS Depositary Interests ("CDIs") held by Directors and members of KMP

Shares/CDIs held in Simavita Group	Balance July 1, 2013	Number of shares Acquired	Number of shares Sold	Balance June 30, 2014	Number of shares Acquired	Number of shares Sold	Balance June 30, 2015
Director							
Michael W. Brown	-	210,000	-	210,000	-	-	210,000
Philippa M. Lewis	644,582	(218,747)	-	425,835	111,112	-	536,947
Ari B. Bergman	259,134	417,176	-	676,310	111,112	-	787,422
Warren R. Bingham	-	-	-	-	55,555	-	55,555
Damien M. Haakman	1,424,126	23,128,944	-	24,553,070	6,168,880	-	30,721,950
Craig J. Holland	-	-	-	-	30,000	-	30,000
KMP							
Thomas G. Howitt	-	15,000	-	15,000	-	(15,000)	-
Totals	2,327,842	23,552,373	-	25,880,215	6,476,659	(15,000)	32,341,874

Note: The securities disclosed in the above table comprise those held in Simavita Limited and, prior to the acquisition of Simavita Holdings Limited on December 3, 2013, securities in that company as well. The securities listed also include those held by associates of the parties named and as such represent the securities in which the party had a direct and indirect beneficial interest. Adjustments have been made to reflect conversions of debt into equity and the consolidations of equity made the Group during the 2014 financial year. Refer above for details of the dates on which individuals became members of KMP.

23. RELATED PARTY TRANSACTIONS CONTINUED

Options and warrants held by Directors and members of KMP

As at June 30, 2015, the following options had been granted to Directors and members of KMP and/or to parties associated with them:

Name of holder	Quantity	Exercise price	Grant date	Expiry date	Fair value
Michael W. Brown	500,000	$0.62	October 28, 2014	July 1, 2017	$0.187
Philippa M. Lewis	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	500,000	$0.52	January 31, 2014	December 3, 2016	$0.137
Thomas G. Howitt	690,000	$0.68	April 9, 2015	March 31, 2019	$0.145
	500,000	$0.52	January 31, 2014	December 3, 2016	$0.137
Peter J. Curran	350,000	$0.70	August 19, 2014	July 31, 2018	$0.267
	300,000	$0.68	April 9, 2015	March 31, 2019	$0.145
Christopher R. Southerland	100,000	$0.51	April 9, 2015	March 31, 2019	$0.190
	200,000	$0.63	April 9, 2015	March 31, 2019	$0.156
	200,000	$0.76	April 9, 2015	March 31, 2019	$0.128
Charles B. Cornish	100,000	$0.68	April 9, 2015	March 31, 2019	$0.145
Paul Won	400,000	$0.68	April 9, 2015	March 31, 2019	$0.145
Total	9,716,664				

As at June 30, 2015, the following warrants had been granted to a Director and/or to parties associated with him:

Name of holder	Quantity	Exercise price	Grant date	Expiry date	Fair value
Michael W. Brown	519,410	$0.41	January 31, 2014	December 3, 2016	$0.167

24. COMMITMENTS AND CONTINGENCIES

	Consolidated	
	June 30, 2015 $	June 30, 2014 $
Operating lease expenditure commitments		
Minimum operating lease payments		
- not later than one year	**192,134**	172,786
- later than one year but not later than five years	**299,785**	475,848
- later than five years	**-**	-
Total minimum operating lease payments	**491,919**	648,634

24. COMMITMENTS AND CONTINGENCIES CONTINUED

As at June 30, 2015, 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	450,879
Level 40, 140 William Street Melbourne, Victoria 3000 Australia	ServCorp Pty. Ltd.	Office	May 31, 2016	41,040
			Total	491,919

25. SEGMENT INFORMATION

Identification of reportable segments

The Group has identified one reportable business segment based on the similarity of the products produced and sold and/or the services provided, being the sale of products and services associated with the assessment and management of urinary incontinence, as this represents the source of the Group's major risks and has the greatest effect on the rates of return.

The Group has identified three reportable geographic segments, being Australia, North America and Europe, based on the jurisdiction where the sales and marketing associated with such products occurs.

The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

	Consolidated	
	June 30, 2015 $	June 30, 2014 $
Business segment		
Statement of Comprehensive Loss		
Sales	**778,574**	349,895
Other revenue	**221,744**	216,392
Totals	**1,000,318**	566,287
Loss for the year	**(9,463,209)**	(10,491,790)
Amortization and depreciation	**(130,216)**	(139,899)
Statement of Financial Position		
Total assets	**11,416,809**	8,789,924
Total liabilities	**(1,225,822)**	(1,259,161)

Geographic information

- **Australia –** includes sales and marketing activities and the location of the Company's operations.
- **North America –** includes sales and marketing activities.
- **Europe –** includes sales and marketing activities.

25. SEGMENT INFORMATION CONTINUED

	Consolidated	
	June 30, 2015 $	June 30, 2014 $
Geographic segments		
Statement of Comprehensive Loss		
Australia		
Sales	**516,093**	349,895
Other revenue	**221,744**	216,392
Totals	**737,837**	566,287
Loss for the year	**(8,456,126)**	(10,108,688)
Amortization and depreciation	**(129,646)**	(139,288)
North America		
Sales	**207,639**	-
Other revenue	**-**	-
Totals	**207,639**	-
Loss for the year	**(1,005,954)**	(383,102)
Amortization and depreciation	**(570)**	(611)
Europe		
Sales	**54,842**	-
Other revenue	**-**	-
Totals	**54,842**	-
Loss for the year	**(1,129)**	-
Amortization and depreciation	**-**	-
Totals		
Sales	**778,574**	349,895
Other revenue	**221,744**	216,392
Totals	**1,000,318**	566,287
Loss for the year	**(9,463,209)**	(10,491,790)
Amortization and depreciation	**(130,216)**	(139,899)

25. SEGMENT INFORMATION CONTINUED

Geographic segments CONTINUED

Statement of Financial Position	Assets June 30, 2015 $	Assets June 30, 2014 $	Liabilities June 30, 2015 $	Liabilities June 30, 2014 $
Australia	**11,381,567**	8,780,928	**1,200,286**	1,256,163
North America	**35,242**	8,996	**25,536**	2,998
Europe	**-**	-	**-**	-
Totals	**11,416,809**	8,789,924	**1,225,822**	1,259,161

There were no intersegment sales.

Included in the above figures are the following intersegment balances:

	Consolidated June 30, 2015 $	Consolidated June 30, 2014 $
Loans payable (North America) and loans receivable (Australia)	**1,334,656**	586,695

Segment products and locations

The principal geographic segment is Australia, with the Company's headquarters being located in North Sydney in the State of New South Wales.

Segment accounting policies

Segment information is prepared in conformity with the accounting policies of the entity and Accounting Standard IFRS 8 (AASB 8) *Operating Segments*. As a result, the primary reporting segments reflect more closely the information that Management uses to make decisions about operating matters. Interest received and finance costs are allocated under the heading *Australia* as they are not part of the core operations of any other geographical segment.

Major customers

The Group has a number of major customers to which it provides both products and services. During the year ended June 30, 2015, there was one customer from whom the Group generated revenues representing more than 10% of the total consolidated revenue from operations. During the year ended June 30, 2014, there were no such customers.

26. AUDITORS' REMUNERATION

Name of Auditor	Year	Audit services $	Other assurance services $	Other services $	Totals $
PricewaterhouseCoopers	**2015**	**128,480**	**-**	**-**	**128,480**
	2014	115,480	-	-	115,480
BDO East Coast Partnership	**2015**	**-**	**-**	**-**	**-**
	2014	10,000	61,095	34,431	105,526
De Visser Gray LLP	**2015**	**-**	**-**	**-**	**-**
	2014	-	-	12,620	12,620
Total auditors' remuneration	**2015**	**128,480**	**-**	**-**	**128,480**
	2014	125,480	61,095	47,051	233,626

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. 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 Mrs. 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

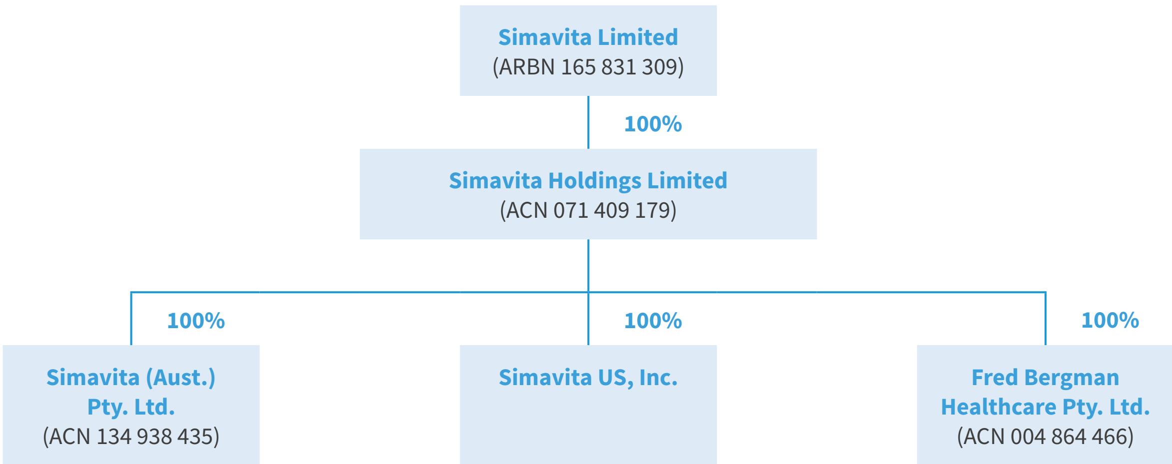
The Company previously had a 100% interest in this property, which consisted of 155 mineral claims. On August 16, 2001, the Company agreed with Yukon Zinc Corp. ("Yukon Zinc") to accept CAD$84,000, to be paid by the issue of 600,000 common shares in Yukon Zinc, as final settlement for the sale of the property. The property was subsequently sold to StrataGold Corporation which was purchased by Victoria Gold Corp. in June 2009. Simavita retains a 1.5% royalty on the project which Victoria 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, 2015.



Name of Group company	Incorporation details	Group interest (%)	
		2015	2014
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. A detailed Enterprise Risk Plan was developed during the year ended June 30, 2015 and approved by the Board. This Plan is reviewed by the Committee and revised on a regular basis, as required.

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 3.

The Group holds the following financial instruments:

	Consolidated	
	June 30, 2015 $	June 30, 2014 $
Financial assets		
Cash and cash equivalents	**9,027,722**	6,844,197
Trade and other receivables	**1,612,614**	1,397,009
Performance bond and deposits	**159,534**	50,716
Total financial assets	**10,799,870**	8,291,922
Financial liabilities		
Trade and other payables	**857,970**	1,022,823
Total financial liabilities	**857,970**	1,022,823

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, 2015 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 and, as at June 30, 2015, 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, 2015 $	June 30, 2014 $
Trade receivables		
Current (less than 30 days)	**180,944**	159,618
31 days to 60 days	**23,536**	13,421
61 days to 90 days	**275**	2,420
Greater than 90 days	**68,275**	7,195
Total trade receivables (refer note)	**273,030**	182,654
Trade and other payables		
Current (less than 30 days)	**857,004**	987,352
31 days to 60 days	**132**	35,471
61 days to 90 days	**-**	-
Greater than 90 days	**834**	-
Total trade and other payables	**857,970**	1,022,823

Note: Trade receivables above do not include the R&D tax concession receivable of $1,339,583 (2014: $1,214,355).

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, Euro 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, 2015, the Group held the following assets and liabilities that were denominated in the following currencies: AUD – Australian dollars; USD – United States dollars; CAD – Canadian dollars; EUR – European euros.

	Year	AUD	USD	CAD	EUR	Totals (AUD)
Financial assets						
Cash and cash equivalents	**2015**	**8,472,078**	**317,563**	**210,208**	**27,873**	**9,027,722**
	2014	6,554,970	23,248	265,979	-	6,844,197
Trade and other receivables	**2015**	**1,584,806**	**-**	**-**	**27,808**	**1,612,614**
	2014	1,397,009	-	-	-	1,397,009
Performance bond and deposits	**2015**	**116,289**	**23,285**	**19,960**	**-**	**159,534**
	2014	50,716	-	-	-	50,716
Total financial assets	**2015**	**10,173,173**	**340,848**	**230,168**	**55,681**	**10,799,870**
	2014	8,002,695	23,248	265,979	-	8,291,922
Financial liabilities						
Trade and other payables	**2015**	**814,784**	**21,711**	**18,273**	**3,202**	**857,970**
	2014	883,198	27,815	-	111,810	1,022,823
Total financial liabilities	**2015**	**814,784**	**21,711**	**18,273**	**3,202**	**857,970**
	2014	883,198	27,815	-	111,810	1,022,823

30. FINANCIAL RISK MANAGEMENT CONTINUED

Market risk CONTINUED

During the year ended June 30, 2015, the Australian dollar / US dollar exchange rate decreased by 18.7%, from 0.9420 at the beginning of the year to 0.7655 at the end of the year.

During the same period, the Australian dollar / Canadian dollar exchange rate decreased by 6.0%, from 1.0057 at the beginning of the year to 0.9458 at the end of the year.

Also, during the same period, the Australian dollar / Euro exchange rate decreased marginally, from 0.6902 at the beginning of the year to 0.6900 at the end of the year.

Based on the financial instruments held at June 30, 2015, 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 have been $19,000 lower / $35,000 higher (2014: movement immaterial), due to changes in the values of cash and cash equivalents which are denominated in US dollars, as detailed in the above tables.

Based on the financial instruments held at June 30, 2015, 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 $35,000 lower / $8,000 higher (2014: loss $22,000 lower / $18,000 higher), 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, 2015, 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 not have changed materially.

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 associated 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.

At June 30, 2015, 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, 2014 and 2015 arose in respect of fixed rate borrowings with interest rates that did not fluctuate.

30. FINANCIAL RISK MANAGEMENT CONTINUED

Market risk CONTINUED

The exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both realized 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	**2015**	**4,027,722**	**5,000,000**	**9,027,722**	**2.30%**	**At call**
	2014	3,291,355	3,552,842	6,844,197	3.24%	At call
Prepayments and deposits	**2015**	**-**	**159,534**	**159,534**	**-**	**At call**
	2014	-	50,716	50,716	-	At call
Totals	**2015**	**4,027,722**	**5,159,534**	**9,187,256**		
	2014	3,291,355	3,603,558	6,894,913		
Financial liabilities						
Interest-bearing liabilities	**2015**	**-**	**-**	**-**		
	2014	-	-	-		
Totals	**2015**	**-**	**-**	**-**		
	2014	-	-	-		

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	**2015**	**857,970**	**-**	**-**	**-**	**857,970**
	2014	1,022,823	-	-	-	1,022,823
Interest-bearing liabilities	**2015**	**-**	**-**	**-**	**-**	**-**
	2014	-	-	-	-	-
Total financial liabilities	**2015**	**857,970**	**-**	**-**	**-**	**857,970**
	2014	1,022,823	-	-	-	1,022,823

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, 2015 (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 facilities as at June 30, 2015:

Nature of facility	Facility limit $	Amount used $	Amount available $
Credit card facilities	95,000	(14,136)	80,864

31. SUBSEQUENT EVENTS

On July 7, 2015, the Company granted a total of 193,000 unlisted stock options pursuant to the Company's stock option plan to various employees of the Company. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at a price of $0.70 per share. The options vested immediately upon the date of grant and have an expiry date of June 30, 2019.

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

pwc

Independent Auditor's Report

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 2015 and 30 June 2014 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. 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 in our audits 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 2015 and 30 June 2014 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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Emphasis of matter
Without qualifying our opinion, we draw attention to note 3(a) in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

(Signed) "*PricewaterhouseCoopers*"

PricewaterhouseCoopers
Chartered Accountants

20 August 2015
Melbourne

Corporate Governance Statement

for the year ended June 30, 2015

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") and were current as at August 20, 2015.

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 been adopted by the Board, in addition to the Company's Articles which were revised and subsequently approved by the Company's shareholders in November 2013.

- Board Charter, which defines the role of the Board and that of Management;
- Audit and Risk Committee Charter;
- Nomination and Remuneration Committee Charter;
- Board Protocol, which clarifies the responsibilities of Directors and the Company's expectations of them;
- Board Performance Evaluation Policy;
- Risk Management Policy;
- Continuous Disclosure Policy;
- Code of Conduct; and
- Securities Trading Policy.

Further, the following Corporate Governance documents were under development. All significant policies, once approved, are published on the Company's website (www.simavita.com).

- 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:
  - organisational performance and the achievement of the Group's strategic goals and objectives;
  - compliance with the Company's Code of Conduct; and
  - progress of major capital expenditures and other significant projects, including any acquisitions or divestments;
- 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 key members of the Executive 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; 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 Executive Team. These delegations are reviewed by the Board as required. Upon joining the Company, all members of the Executive Team are provided with letters of appointment outlining the terms of their appointment. In accordance with Company policy, performance appraisals for all members of the Executive Team occur annually and last took place in July/August 2015.

As Simavita is a Canadian listed public company, prior to their appointment to the Board, all new Directors must complete a detailed Personal Information Form and undergo a formal police check, both of which are then released publicly via the SEDAR website in Canada. As part of their appointment, new Directors are provided with an induction pack that contains a letter of appointment and copies of all material governance and related documents.

The Secretary of the Company is directly accountable to the Board and works closely with the Chairman to ensure the efficient functioning of the Board.

Included in the documents that are provided to all shareholders ahead of shareholder meetings is detailed information regarding each of the Directors who are to be put before the shareholders for re-election at the meeting.

The Company values diversity and recognizes the benefits it can bring to the organization's ability to achieve its goals. Accordingly, the Board is considering the introduction of 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.

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

Principle 2: Structure the Board to add value

The Board operates in accordance with the broad principles of an approved Board Charter that has been uploaded to the corporate governance information section of the Company's website (www.simavita.com). The Charter documents details of the Board's composition and responsibilities.

Board composition

The principles which are documented in the Charter state that:

- the Board is to be comprised of both executive and non-executive Directors with at least two of the Directors being non-executive. 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 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 Executive Team;
- the non-executive Directors should meet periodically in the absence of Management;
- the Chairman is elected by the full Board and is encouraged to meet regularly with the Chief Executive Officer;
- the Board should meet at least eight times a year; 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.

Directors' independence

As outlined below, 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.

Principle 2: Structure the Board to add value CONTINUED

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. 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, five of the Company's six Directors served as non-executive Directors. Mrs. Lewis, who serves as the Company's Chief Executive Officer, is an Executive Director. Two of the remaining five Directors had a relationship which may adversely affect their independence: Mr. Michael Brown, who also serves as the Chairman of the Board (having provided consulting services to the Company prior to joining the Board) and Mr. Damien Haakman (being associated with the major shareholder of the Company).

In relation to Mr. Brown's previous service as a consultant to the Company, this advisory relationship was terminated when Mr. Brown became a director. Furthermore, the previous advisory role has given Mr. Brown a deep understanding of the Company, its markets and its shareholder base which benefits his role as a Director.

The remaining three Directors of the Company, being Messrs. Bergman, Bingham and Holland are considered to be independent Directors. Accordingly, as at the date of this Financial Report, one half of the Board is deemed to be independent. While this does not constitute a majority of independent directors, the Board considers the current constitution of Board members appropriate given the current size and nature of the Company, and the experience and skills of those members.

The Company is planning the development of a Board skills matrix that will summarise the skills, diversity and experience of each Director and identify any areas where additional skills may be required.

Commitment

The Board held fourteen meetings during the year ended June 30, 2015. 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, 2015, and the number of such meetings attended by each Director, are disclosed in the table below.

			Sub-Committees of the Board			
	Directors' meetings		Audit and Risk		Nomination and Rem.	
Name of Director	Eligible	Attended	Eligible	Attended	Eligible	Attended
Michael W. Brown[1]	7	7	-	-	1	1
Philippa M. Lewis	14	14	-	-	-	-
Ari B. Bergman	14	14	4	4	1	1
Warren R. Bingham[2]	2	1	-	-	1	1
Damien M. Haakman	14	14	4	4	-	-
Craig J. Holland[3]	8	8	2	2	-	-
Peter C. Cook[4]	3	3	2	2	-	-

Notes:
1. Mr. Brown served as a Director of the Company from January 7, 2015 to June 30, 2015.
2. Mr. Bingham served as served as a Director of the Company from May 21, 2015 to June 30, 2015.
3. Mr. Holland served as a Director of the Company from November 14, 2014 to June 30, 2015.
4. Mr. Cook served as a Director of the Company from July 1, 2014 to September 12, 2014.

As at the date of this Report, the Company had two Sub-Committees of the Board of Directors: an Audit and Risk Sub-Committee and a Nomination and Remuneration Sub-Committee.

Principle 2: Structure the Board to add value CONTINUED

The individuals who served as members of the two Sub-Committees during the year ended June 30, 2015 were:

Name of Member	Audit and Risk Period served	Nomination and Remuneration Period served
Michael W. Brown	Not applicable	January 7, 2015 to June 30, 2015
Philippa M. Lewis	Not applicable	Not applicable
Ari B. Bergman	July 1, 2014 to June 30, 2015	July 1, 2014 to June 30, 2015
Warren R. Bingham	Not applicable	May 21, 2015 to June 30, 2015
Damien M. Haakman	July 1, 2014 to June 30, 2015	Not applicable
Craig J. Holland	November 14, 2014 to June 30, 2015	November 14, 2014 to May 21, 2015
Peter C. Cook	July 1, 2014 to September 12, 2014	Not applicable

Notes:
1. Mr. Cook served as the Chairman of the Audit and Risk Sub-Committee from July 1, 2014 to September 12, 2014.
2. Mr. Haakman served as the Chairman of the Audit and Risk Sub-Committee from September 12, 2014 to November 14, 2014.
3. Mr. Holland served as the Chairman of the Audit and Risk Sub-Committee from November 14, 2014 to June 30, 2015.
4. Mr. Bergman served as the Chairman of the Nomination and Remuneration Sub-Committee from July 1, 2014 to June 30, 2015.

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 he or she has, and will continue to have, the time available to discharge his or her responsibilities to the Company.

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 Executive Team. The Chairman meets regularly with the CEO. In accepting the position, the Chairman 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.

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. As at August 20, 2015, each Director had the following lengths of service:

Name of Director	Length of service
Michael W. Brown	8 months
Philippa M. Lewis	1 year and 9 months
Ari B. Bergman	1 year and 9 months
Warren R. Bingham	3 months
Damien M. Haakman	1 year and 9 months
Craig J. Holland	10 months

It should be noted that Mrs. Lewis, Mr. Bergman and Mr. Haakman all served as Directors of Simavita Holdings Limited prior to its acquisition by Simavita Limited on December 3, 2013.

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 Executive Team and the Company's meeting arrangements.

Principle 2: Structure the Board to add value CONTINUED

Conflict of interests

In accordance with the principles 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. In such cases, the 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, in addition to a formal assessment process that is undertaken annually. The assessments also consider the adequacy of the Company's induction and continuing education processes, access to information and the support provided by the Secretary. The next formal Board assessment is scheduled to take place at the end of the 2015 calendar year.

Members of the Executive Team are invited to contribute to the above 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 each Director and meets with him or her to discuss the results of the 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 has its own approved 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. These Charters are reviewed on an annual basis and are 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 are addressed in the Charter of the respective Sub-Committee.

Nomination and Remuneration Sub-Committee

The Group's Nomination and Remuneration Sub-Committee consists of Ari Bergman (Chairman), Warren Bingham and Michael Brown. 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 have been documented in a formal Charter which is 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;
- ensure that appropriate processes are in place and that appropriate independent advice is sought to support the Board in assessing the performance, and reviewing the remuneration of, the Chief Executive Officer;

Principle 2: Structure the Board to add value CONTINUED

- ensure that appropriate processes are in place and that appropriate independent advice is sought to support the Board in ratifying the appointment and/or removal of and contributing to the performance assessment for key members of the Executive Team; 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 Annual General Meeting. 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 appointment. 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 has developed a Code of Conduct (the "Code") which has been endorsed by the Board and which applies to all Directors. The Code is 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 requires 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 the Company's policies.

The purchase and sale of Company securities by Directors and employees is governed by the Securities Trading Policy which states that trading in the Company's securities is not permitted in the period leading up to the publication of yearly and half-yearly results. No director, officer or employee may buy or sell any Securities at any time during the periods from July 1 until one week after the release of the Company's full year results, and from January 1 until one week after the release of the Company's half year results.

Where any employee of the Company (including its directors) proposes dealing at any time in the Company's securities, prior approval from the Chairman is required in order to determine whether such a transaction might be sensitive or infringe the general prohibition on insider trading. For this purpose, the relevant person must provide at least seven days prior written notice to the Chairman of the proposed trading in the securities. This notice may be a "standing notice" that the relevant person intends to buy or sell the securities over a specified period (up to a maximum of five business days after expiry of the notice to the Chairman) or may specify that the relevant person intends to buy or sell the securities up to a maximum amount as specified in the notice to the Chairman.

The Code requires 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.

The Directors are satisfied that the Group has complied with its policies on ethical standards.

Principle 4: Safeguard integrity in corporate reporting

Audit and Risk Sub-Committee

The Audit and Risk Sub-Committee consists of Craig Holland (Chairman), Ari Bergman and Damien Haakman. Details of their attendance at meetings of the Sub-Committee are set out above. The Sub-Committee operates in accordance with principles which are documented in a formal Charter which is available on the Company's website. The relevant qualifications and experience of the members of the Sub-Committee include:

- **Craig Holland** – Craig is a former partner of international Chartered Accounting firm Deloitte. He is a qualified CPA, is a Fellow of the Taxation Institute of Australia and a Graduate of the Australian Institute of Company Directors. He holds a Bachelor of Economics degree and a Masters of Tax. He has many years of relevant financial experience across a number of different industries.
- **Ari Bergman** – Ari is a qualified lawyer who holds a doctorate in trusts and corporate law, has extensive commercial experience and has served in an executive capacity for a number of organizations, and has provided professional advice on the areas of corporate governance and remuneration.
- **Damien Haakman** – Damien is the Managing Director of a significant private family office. His background includes due diligence work, forecasting, market assumptions and trends and he has a keen interest in the technology sector including the impacts of new disruptive technologies and their effects on their market.

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 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.

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

- receives regular reports from both Management and the Company's external auditors and 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 the annual certifications that they each provide to the Board and the certifications themselves;
- 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.

Principle 4: Safeguard integrity in corporate reporting CONTINUED

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 the 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 Annual General Meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit opinion.

The Group does not have an internal audit function as the Board does not believe that the Company's current level of operations warrant an internal audit function. As the Company grows and expands, this situation will be reviewed. In the meantime, the Chair of the Audit and Risk Sub-Committee works closely with the Company's CFO and the external auditor to safeguard the integrity in the financial reporting.

Principle 5: Make timely and balanced disclosure

Continuous disclosure and shareholder communication

The Company is in the final stages of drafting a Continuous Disclosure Policy that will document its principles, policies and procedures regarding the 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, this policy will include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. This policy 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 materials 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 may have been inadvertently disclosed and, if so, this information is also immediately released to the Markets.

Principle 6: Respect the rights of security holders

The Company maintains a comprehensive website at www.simavita.com. The website also enables security holders and other users to provide feedback to the Company and has an option for shareholders to register their email address so that they can receive direct email updates on Company matters.

While the Company actively encourages the attendance and participation of its security holders at all general meetings, the Company is in the process of drafting policies that will document these processes further.

The Company maintains an active investor relations program in both Australia and overseas and all shareholders are entitled to receive a hard copy of the Company's Annual Report and Half-Year Report which are also available for download on its website at no charge.

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 that there are adequate policies in relation to risk management, compliance and internal control systems. During the year ended June 30, 2015, the Company created a comprehensive Enterprise Risk Plan (the "Plan") which is reviewed and updated by Management on a regular basis.

The Sub-Committee reviews the Plan on a regular basis and monitors 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 Audit and Risk 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.

The design, implementation and reporting on the adequacy of the Company's risk management and internal control systems is the responsibility of Management who reports to the Sub-Committee on the effectiveness of:

- the risk management and internal control system which operated during the year; and
- the Company's management of its material business risks, as documented in the Plan.

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 Chairman of the Audit and Risk Sub-Committee. 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. To assist in this regard, as stated above, a comprehensive Enterprise Risk Plan for the Company was prepared during the year ended June 30, 2015 and adopted by the Board.

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 present a true and fair view, in all material respects, of the financial condition and results of the Company and the Group and are in accordance with relevant accounting standards; and that the certification 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.

Exposure to other risks

As at the date of this Financial Report, the Board does not believe that the Company has a material exposure to any particular economic, environmental or social sustainability risks outside those commonly faced by a company of this nature.

Principle 8: Remunerate fairly and responsibly

The Nomination and Remuneration Sub-Committee has delegated responsibilities as described above which pertain to setting the reasonable and appropriate remuneration levels of Company Directors and employees. Sub-Committee members may receive briefings from external remuneration experts on recent developments on remuneration and related matters.

Each member of the Executive Team signs a formal employment contract at the time of his or her 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 CEO (or in the case of the CEO's role, by the Nomination and Remuneration Sub-Committee) on a regular basis and, where necessary, is revised in consultation with the relevant employee. The Sub-Committee also reviews independent benchmarking surveys to assess the prevailing market rates when providing the Board with the necessary background information for setting the CEO and key Executive salaries for the coming financial year.

Further information on Directors' and Executives' remuneration for the year ended June 30, 2015 is set out in Note 23 to the financial statements. 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 monitors and oversees that appropriate processes are in place for 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 subsequent promotion to senior positions.

Corporate Directory

DIRECTORS

Michael W. Brown (Non-Executive Chairman)
Philippa M. Lewis (Chief Executive Officer)
Ari B. Bergman (Non-Executive)
Warren R. Bingham (Non-Executive)
Damien M. Haakman (Non-Executive)
Craig J. Holland (Non-Executive)

COMPANY SECRETARY

Thomas G. Howitt

REGISTERED OFFICE

26th Floor, 700 West Georgia Street
Vancouver BC V7Y 1B3
Canada

HEAD OFFICE

Level 13, 54 Miller Street
North Sydney NSW 2060
Australia

Telephone: +61 2 8405 6300
Facsimile: +61 2 8088 1301
Email: customerservice@simavita.com

COMPANY WEBSITE

www.simavita.com

AUSTRALIAN REGISTERED BUSINESS NUMBER

165 831 309

COMMON SHARE REGISTER

Computershare Investor Services Inc.
Level 2, 510 Burrard Street
Vancouver BC V6C 3B9
Canada

Telephone: +1 604 661 9400
Facsimile: +1 604 661 9549
Website: www.computershare.com

CDI REGISTER

Computershare Investor Services Pty. Ltd.
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067
Australia

Telephone: +61 3 9415 5000
Facsimile: +61 3 9473 2500
Website: www.computershare.com.au

AUDITOR

PricewaterhouseCoopers
Chartered Accountants
Freshwater Place
2 Southbank Boulevard
Southbank VIC 3006
Australia

BANKER (CANADA)

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, N.A.
3700 Wiseman Boulevard
San Antonio TX 78251
USA

STOCK EXCHANGES

TSX Venture Exchange
Symbol: **SV** (common shares)
Suite 2700
650 West Georgia Street
Vancouver BC V6B 4N9
Canada

Australian Securities Exchange
Code: **SVA** (CDIs)
Level 4, Rialto North Tower
525 Collins Street
Melbourne VIC 3000
Australia

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 August 20, 2015.

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 CHESS 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 August 20, 2015, ranked by size of holding in each range of securities, are as follows:

	Common shares		CDIs		Combined		
Ranges	Holders	Units	Holders	Units	Holders	Units	%
1 – 5,000	305	234,599	204	562,805	509	797,404	0.86%
5,001 – 10,000	19	155,825	119	1,034,866	138	1,190,691	1.29%
10,001 – 50,000	35	899,968	178	4,599,557	213	5,499,525	5.96%
50,001 – 100,000	9	687,702	49	3,599,992	58	4,287,694	4.65%
100,001 – 150,000	5	642,293	13	1,652,440	18	2,294,733	2.49%
150,001 – 200,000	3	486,593	11	2,070,358	14	2,556,951	2.77%
200,001 – 1,000,000	8	2,737,107	23	8,904,444	31	11,641,551	12.62%
1,000,001 – 2,000,000	2	3,055,194	3	4,471,507	5	7,526,701	8.16%
2,000,001 and over	3	23,988,922	7	32,461,061	10	56,449,983	61.20%
Totals	**389**	**32,888,203**	**607**	**59,357,030**	**996**	**92,245,233**	**100.00%**

The number of holders of common shares and CDIs holding less than a "marketable parcel" of securities (being 981) on August 20, 2015 was 41. The total number of securities held by these holders on that date was 20,254, which represented 0.02% of the total number of common shares on issue.

As disclosed above, as at August 20, 2015, the Company had a total of 92,245,233 common shares on issue, of which a total of 59,357,030 common shares were held in CDI form, representing approximately 64.35% of the Company's total number of issued securities.

TWENTY LARGEST SECURITY HOLDERS

The names of the twenty largest registered security holders as at August 20, 2015, are:

		Number of securities held			
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	21.80%
2	HSBC Custody Nominees (Australia) Limited	-	7,847,108	7,847,108	8.51%
3	HSBC Custody Nominees (Australia) Limited <No. 2 A/C>	-	7,315,603	7,315,603	7.93%
4	Dussman Pty. Ltd. <Charolais Super Fund A/C>	6,445,010	-	6,445,010	6.99%
5	Sim Finance Pty. Ltd.	3,519,617	-	3,519,617	3.81%
6	National Nominees Limited	-	3,380,074	3,380,074	3.66%
7	BNP Paribas Nominees Pty. Ltd. <DRP A/C>	-	3,111,112	3,111,112	3.37%
8	Citicorp Nominees Pty. Ltd.	-	2,727,532	2,727,532	2.96%
9	Robert James Hutchison and Maryann McKenzie <Inspiration Super Fund A/C>	-	2,000,085	2,000,085	2.17%
10	J.P. Morgan Nominees Australia Limited	-	1,833,336	1,833,336	1.99%
11	Dussman Pty. Ltd. <Devonia Investment No. 2 A/C>	1,799,049	-	1,799,049	1.95%
12	Jolimont Lodge Pty. Ltd. <Powell Family Super Fund A/C>	-	1,612,267	1,612,267	1.75%
13	Dussman Pty. Ltd.	1,256,145	-	1,256,145	1.36%
14	Denzil and Sarah Sheldon <Sheldon Family Super Fund A/C>	-	1,025,904	1,025,904	1.11%
15	Dyspo Pty. Ltd. <Henty Super Fund A/C>	-	1,000,000	1,000,000	1.08%
16	Henderson International Pty. Ltd. <Henderson Super Fund A/C>	-	650,000	650,000	0.70%
17	UBS Nominees Pty. Ltd.	-	559,469	559,469	0.61%
18	Kapok International Limited	-	555,556	555,556	0.60%
19	Carluke Pastoral Co. Pty. Ltd. <Carluke Super Fund A/C>	-	552,922	552,922	0.60%
20	Wong Yat Ming	-	522,222	522,222	0.57%
	Totals – Top 20	27,044,116	40,772,737	67,816,853	73.52%
	Remainder	5,844,087	18,584,293	24,428,380	26.48%
	Totals	**32,888,203**	**59,357,030**	**92,245,233**	**100.00%**

SUBSTANTIAL SECURITY HOLDERS

As at August 20, 2015, 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 (via the Dussman Group)	30,721,950	33.30%
WF Asian Reconnaissance Fund Limited	6,800,000	7.37%

RESTRICTED SECURITIES

As at August 20, 2015, a total of 11,605,439 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 . Pursuant to the escrow agreements that were entered into as part of this transaction, the securities are released from escrow on a timed release schedule, whereby 25% of the total number of securities are released every six months.

In addition to the above common shares, as at August 20, 2015, there was a total of 6,876,664 options and 1,154,245 warrants that were also subject to escrow. These securities will be released from escrow on February 20, 2016.

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 February 20, 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.