SIMAVITA LIMITED

ARBN 165 831 309

APPENDIX 4D OF THE ASX LISTING RULES

FOR THE HALF-YEAR ENDED

DECEMBER 31, 2015

SIMAVITA LIMITED

APPENDIX 4D OF THE ASX LISTING RULES

FOR THE HALF-YEAR ENDED DECEMBER 31, 2015

(This information should be read in conjunction with the Company's June 30, 2015 Annual Report)

1. The reporting period covers the half-year ended December 31, 2015.

   The previous corresponding period covers the half-year ended December 31, 2014.

2. Results for announcement to the market:

   2.1 Total revenues from ordinary activities for the reporting period were $350,831, a decrease of $107,251, or 23%, over the previous corresponding period of $458,082.

   2.2 The comprehensive loss from ordinary activities after income tax attributable to Members for the reporting period was $5,638,520, being an increase of $1,570,996, or 39%, over the previous corresponding period of $4,067,524.

   2.3 The comprehensive loss attributable to Members for the reporting period was $5,638,520, being an increase of $1,570,996, or 39%, over the previous corresponding period of $4,067,524.

   2.4 The Company does not propose to pay a dividend.

   2.5 Not applicable.

   2.6 The decrease in revenues during the reporting period as compared with the prior period was due to the inclusion in the prior period of the first significant sale for SIM™ from the Group's US distributor, Medline.

   The increase in the comprehensive loss for the reporting period was primarily due to an increase in the sales, marketing and distribution costs due to the expansion of the Company's US and European sales and marketing team and greater advertising and marketing expenses ($1,974,983). During the reporting period the Company contracted 43 skilled nursing and assisted living sites in North America. In addition the Company recently announced the signing of a contract with a Danish municipality.

   The number of aged care sites in Australia that now use the Company's SIM™ solution increased during the reporting period from 45 to 62, with a resulting increase in the total number of assessments they performed and the revenues generated. The Company has been awarded a contract to supply SIM™ into two geriatric rehabilitation hospitals in Queensland, equivalent to 18 sites.

3. The net tangible assets per ordinary share as at December 31, 2015 was 5.0 cents, being a decrease of approximately 55% over the figure for the previous corresponding period (30 June 2015) of 11.0 cents.

4. During the half-year ended December 31, 2015, Simavita Limited neither gained nor lost control of any entities.

5. No dividends were paid by Simavita Limited during or after the reporting period, nor were any paid during the previous reporting period.

6. The Company has no dividend reinvestment plans in operation.

7. As at December 31, 2015, Simavita Limited held no investments in any associates or joint ventures.

8. The Company's financial statements for the reporting period have been prepared in accordance with International Financial Reporting Standards.

9. The attached Financial Report for the period ended December 31, 2015 was reviewed by the Company's auditor, PricewaterhouseCoopers. It contains an emphasis of matter paragraph in regard to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Additional disclosure has been included in Note 3 to the financial statements.

Signed on behalf of Simavita Limited

PHILIPPA M. LEWIS
Chief Executive Officer

Dated this 26th day of February, 2016

SIMAVITA LIMITED

ARBN 165 831 309

MANAGEMENT DISCUSSION AND ANALYSIS

AND

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED

DECEMBER 31, 2015

NOTICE OF AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying condensed interim financial statements of the Company for the six-month period ended December 31, 2015 have been prepared by and are the responsibility of the Company's Management.

The Company's independent auditor, PricewaterhouseCoopers, has performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

SIMAVITA LIMITED

(the "Company")

Management Discussion and Analysis

(Form 51-102F1)

For the six-month period ended December 31, 2015

The following Management Discussion and Analysis ("MD&A") of the results and financial position of the Company for the six-month period ended December 31, 2015 should be read in conjunction with the information provided in the Company's Condensed Consolidated Interim Financial Statements for the six-month period ended December 31, 2015 ("Financial Statements") and the material contained herein.

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

DATE

This MD&A is dated **February 26, 2016**.

OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS

Highlights

- The number of sites at which SIM™ is deployed, or contracted to be deployed, continues to grow and as at the date of this MD&A is equivalent to 132. The number of beds under contract has now passed 10,000.
- Global rollout of the Software as a Service (SaaS) business model commenced.
- Revenue from the sale of SIM™ for the 6 months to December 31, 2015 of $350,831 represents a decrease of 23% over the same prior year period. The prior period included a significant initial sale from the company's US distributor, Medline.
- Cash receipts from customers for the 6 months to December 31, 2015 were $419,857 representing a 90% increase over the same period last year.
- Strengthened global patent portfolio with the granting of 9 new patents during the half year.

Overview

The Simavita Group of companies (the "Group") operates in the global digital healthcare space and has developed an innovative, software platform which is a patented world-first solution for the management of urinary incontinence. The Group's flagship product is the Smart Incontinence Management™ ("SIM™") wearable which is an instrumented incontinence assessment application that provides evidence-based incontinence data for the 72 hour assessment. This assessment provides person-centred care plans for the elderly who reside in residential aged care facilities and acute care rehabilitation settings.

<u>Australia</u>

As at the date of this MD&A, the Company's SIM™ technology is being used, or is contracted to be used, by 62 residential aged care facilities, 4 acute rehabilitation wards and an incontinence clinic in Australia. To assist in the further expansion of the Company's market share in Australia, non-exclusive sales and marketing partnership agreements have been executed with residential aged care distributors, Bunzl Outsourcing Services and Paul Hartmann Pty. Ltd. Through these partnerships, Bunzl and Hartmann are working with Simavita to introduce SIM™ to aged care facilities that are their existing customers. Simavita continues to sell SIM™ locally using its own sales force. Partnering with the electronic care plan providers is an additional go-to-market channel for Simavita and during the quarter the Company entered into a binding heads of agreement to integrate SIM™ technology into

HealthMetric's eCase® electronic care plan solution. Sales increased but at a significantly slower rate than previously forecast by the Company due to a longer than expected sales cycle.

The implementation of the 2 year contract at Queensland Department of Health has commenced with strong engagement from the 2 participating hospitals. Assessments will commence in Q3 FY 2015-16.

Simavita has successfully conducted its first Australian pilot program in home care settings with positive results and cost reductions. Pilots with other leading home care providers have been agreed to commence in Q3 FY 2015-16.

North America

As at the date of this MD&A, the Company's SIM™ technology is being used, or is contracted to be used, by 43 skilled nursing and assisted living sites in North America.

During the six months ended 31 December 2015, the Company executed its strategy to commence independent sales and marketing activities directly to North American customers following the agreement to transition Medline to a non-exclusive distribution arrangement.

Following the signing of the agreement in June 2015 with MatrixCare, a leading electronic healthcare records (EHR) provider to the US long term, post-acute care healthcare market, Simavita has secured an agreement to implement the jointly developed interoperability solution with a MatrixCare customer following the successful piloting of the SIM™ technology over a 5 month period in 2015. The integrated solution will be deployed in 7 skilled nursing facilities in Illinois and will enable the MatrixCare customer to seamlessly integrate the data generated by SIM™ technology into their electronic medical records.

During the six-month period ended December 31, 2015, the Company announced its first sales in Canada with the signing of a supply agreement with a long term care group in Ontario. The Company also appointed two local distributors in Canada, Medline Canada Corporation (an associate of Medline Industries, Inc.) and MedProDirect Inc. to supply the local market.

The conversion rate of pilot sites to contracted sales is increasing however as is typical with a new and disruptive technology in a healthcare setting, in some cases, the sales cycle can be long and this has a negative impact on performance against budgets. The Company anticipates the sales cycle to improve over time as the number of users increase, research data validates the positive outcomes for stakeholders and the application becomes more ubiquitous.

Europe

Following the execution of a distribution agreement with Abena A/S covering the sale and distribution of SIM™ in Denmark in early 2015 several extensive and successful pilots were conducted during the period. One of these pilots has resulted in Abena signing a 24 month contract with the Municipality of Aarhus for the deployment of SIM™ into aged care facilities and home care environments.

Planning for an expansion into other European countries is underway following the appointment of a Vice President Sales & Marketing for Europe.

SaaS business model

In July 2015, Simavita initiated the roll out of its "Software as a Service" (SaaS) business model. The Simavita customer can access the SIM™ software platform via a software licence agreement. The SaaS model means that customers pay a fixed, monthly fee. Assessment kits and the accompanying hardware are additional.

The SaaS model is well understood by the healthcare sector. It enables the customer to easily manage its IT and consumable budgets with more certainty.

The SaaS model provides Simavita with an annuity revenue stream plus the revenue from Assessment kits and hardware. Agreements with the Company's first US and Canadian customers under the new SaaS model have now been executed and negotiations with other potential customers are underway as the Company's North American sales pipeline continues to grow. The Australian market has now converted to SaaS agreements and the EU expansion will be similarly deployed.

Expanded market segments

During the half year ended 31 December 2015 additional markets for the SIM™ technology have developed due to customer demand. These include Assisted Living and Adult Day Care facilities in North America and the home care and Geriatric Rehabilitation markets in Australia. These new healthcare markets have increased the addressable technology for the SIM™ technology.

Likely developments

During the remainder of the 2016 financial year, in addition to working to increase the sales of its products in Australia, North America and Europe, Simavita will continue to innovate its core product, expand its intellectual property portfolio, establish expanded strategic alliances and develop additional applications for the platform. The Company recently announced that it plans to initiate the next phase of it's growth, by extending the Company's global resources and reach through licensing agreements with large global players.

Changes to capital structure

- During the six-month period ended December 31, 2015, the Company issued no new shares.
- On July 7, 2015, the Company granted a total of 193,000 unlisted stock options pursuant to the Company's stock option plan to three 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.
- On September 18, 2015, the Company granted a total of 250,000 unlisted stock options pursuant to the Company's stock option plan to a consultant of the Company, as part of a pre-existing obligation. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at a price of $0.50 per share. The options vested immediately upon the date of grant and have an expiry date of September 18, 2018.

Discussion of operations

Statement of comprehensive loss

Overview

The Group reported a consolidated loss after income tax for the three-month period ended December 31, 2015 of $3,054,687, which was $1,351,891, or 79%, more than the loss incurred during the previous corresponding period ended December 31, 2014 of $1,702,796. For the six-month period ended December 31, 2015, the group reported a consolidated loss of $5,638,520, which was $1,570,996 or 39% more than loss incurred during the corresponding period ended December 31, 2014 of $4,067,524. The increase in the current period loss is principally attributable to:

- an increase of $1,974,983 in sales, marketing and distribution costs due to the expansion of the Company's US and European sales and marketing team, in addition to greater advertising and marketing expenses incurred during the current period;
- a reduction of $361,344 in the share-based payments expense incurred due to a reduction in the number of unlisted stock options that were granted during the current period;
- a decrease of $166,113 in R&D tax incentive claim accrual, in line with the accrual actually received for previous year.

Revenues

Revenues generated by the Group from the sale of its SIM™ solution decreased by $212,373, or 59%, to $147,017 during the three month ended December 31, 2015, as compared to $359,390 for the previous corresponding period. Revenue for the six-month ended December 31, 2015 was $350,831, which was 23% or $107,251 less than the revenue generated during the previous corresponding period ended December 31, 2014. Revenue for the corresponding period in previous year included a significant order from the company's US distributor, Medline, for $207,639.

The Group anticipates that sales of SIM™ in Australia will continue to grow as sales and marketing efforts result in further long term care facilities adopting the technology as well as sales in the new markets of geriatric rehabilitation and home care. In the US market, sales of the SIM™ solution are growing and extensive pilot programs and research projects are underway. Interoperability with electronic medical record companies and the appointment of additional distributors in other European countries, apart from Denmark, will continue. In Canada, the first customers are now using SIM™ and further sales are expected.

Cost of sales

The Company's cost of sales decreased by $105,341, or 63%, to $61,067 during the three-month period ended December 31, 2015, as compared to $166,408 for the previous corresponding period. For the six-month period ended December 31, 2015, the cost of sales decreased by $55,430 or 28% to $144,311 as compared to period corresponding period. The decrease in cost of sales is in line with the decrease in sales.

The gross margin improved slightly for the three-month period ended December 31, 2015 to 58% from 54% during the previous corresponding period ended December 31, 2014. Gross margin also improved to 59% for the six-month period ended December 31, 2015 from 56% during the previous corresponding period ended December 31, 2014. Previous year included sales to US distributor, Medline, which was at a lower margin as compared to direct sales to customer.

General and administration

General and administration costs decreased by $281,219, or 20%, to $1,114,391 during the three-month period ended December 31, 2015, as compared to $1,395,610 for the previous corresponding period. During the six-month period ended December 31, 2015, the general and administration costs decreased by $335,170 to $2,172,704 as compared to the previous corresponding period ended December 31, 2014. As detailed on page 14, increases in employee benefits ($239,305) and insurance expenses ($27,633) were offset by reductions in related travel expenses ($236,655) and consultants' fees ($239,686).

Occupancy costs

Occupancy costs increased by $1,420, or 1%, to $97,268 during the three-month period ended December 31, 2015, as compared to $95,848 for the previous corresponding period. For the six-month period ended December 31, 2015, occupancy costs increased by $2,999 or 2% to $192,172 from $189,173 in the previous corresponding period. Occupancy cost would go down from the following half as the company no longer requires the Melbourne office.

Research and development

Research and development ("R&D") costs decreased by $18,501, or 3%, to $717,707 during the three-month period ended December 31, 2015, as compared to $736,208 for the previous corresponding period. For the six-month period ended December 31, 2015, R&D costs increased by $92,443 to $1,347,829 as compared to $1,255,386 in the previous corresponding period.

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. During the six-month period ended December 31, 2015, the Company accrued an amount of $675,000 in respect of estimated payments due under the relevant scheme.

Sales, marketing and distribution

Sales, marketing and distribution ("SM&D") costs are reported on a geographical segment basis (refer Note 17 in the financial statements).

<u>Australia</u>

SM&D costs in Australia increased by $481,696, or 148%, to $807,345 during the three-month period ended December 31, 2015, as compared to $325,649 for the previous corresponding period. For the six-month period ended

December 31, 2015, SM&D costs in Australia increased by $809,812 to 1,446,432 from $636,620 during the previous period.

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.

North America

SM&D costs in North America increased by $453,803, or 274%, to $619,323 during the three-month period ended December 31, 2015, as compared to $165,520 for the previous corresponding period. For the six-month period ended December 31, 2015, SM&D costs in North America increased by $956,525 to $1,232,965 from $276,440 during the previous period.

Europe

SM&D costs in Europe were $127,661 during the three-month period ended December 31, 2015 and $208,646 for the six-month period ended December 31, 2015, as compared to $Nil for the previous corresponding periods. During the current period, the Company continued to generate 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 is currently being established.

Share-based payments expense

Share-based payments expense decreased by $93,500, or 100%, during the three-month period ended December 31, 2015. For the six-month period ended December 31, 2015, share-based payments expense decreased by $361,344 to $62,569 from $423,913 in the previous corresponding period, due to a significant reduction in the total number of options granted during the current period under review.

Income tax benefit

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. The Company accrued an amount of $675,000 for the period ended December 31, 2015 in respect of the estimated payment due under the relevant scheme.

Statement of financial position

Cash and cash equivalents

The Group's cash and cash equivalents at the end of the period ended December 31, 2015 decreased by $6,608,726, or 73%, to $2,418,996, as compared to $9,027,722 at the end of the previous financial year (refer below for details).

Trade and other receivables

The Group's trade and other receivables at the end of the period ended December 31, 2015 increased by $698,140, or 43%, to $2,310,754, as compared to $1,612,614 at the end of the previous financial year. As of June 30, 2015, an amount of $1,339,584 was recognized in respect of the Company's estimated R&D tax incentive claim from the Australian Commonwealth Government due in respect of the 2015 financial year which was received in January 2016. An additional accrual of $675,000 was recognized during the current period in respect of the pro rata portion of the Company's estimated claim for the 2016 financial year.

Inventories

The Group's inventories at the end of the period ended December 31, 2015 increased by $288,946, or 84%, to $634,858, as compared to $345,912 at the end of the previous financial year. This increase was consistent with the Group's increased sales forecast for the current year.

Other assets

The Group's other assets at the end of the period ended December 31, 2015 decreased by $19,999, or 13%, to $139,535, as compared to $159,534 at the end of the previous financial year. The decrease is due to amortisation of prepayments.

Property, plant and equipment

The Group's net property, plant and equipment at the end of the period ended December 31, 2015 decreased by $20,440, or 10%, to $184,048, as compared to $204,488 at the end of the previous financial year. Any additions to such assets were more than offset by depreciation charges.

Trade and other payables

The Group's trade and other payables at the end of the period ended December 31, 2015 decreased by $151,425, or 18%, to $706,545, as compared to $857,970 at the end of the previous financial year. The decrease was largely due to bonus accrued for FY 2014-15 paid in October-15.

Share capital

No new capital was raised during the quarter ended December 31, 2015. However additional capital of $1,775,000 has been raised as of date of this MD&A.

Reserves

The Group's reserves as at December 31, 2015 increased by $140,503, or 4%, to $3,618,570, as compared to $3,478,067 at the end of the previous financial year. This movement comprised an increase in the share-based payments reserve of $62,569, arising from the issue of options during the period, and an increase in the foreign currency translation reserve resulting from the revaluation of the assets and liabilities of foreign subsidiaries of $77,934.

<u>Statement of cash flows</u>

Operating activities

Net cash flows used in operating activities during the three-month period ended December 31, 2015 increased by $992,724, or 38%, to $3,635,166, as compared to $2,642,442 during the previous corresponding period. For the six-month period ended December 31, 2015 the increase was $1,378,151 to $6,557,474 as compared to $5,179,323 in previous year. This increase was largely attributable to an increase in cash outflows relating to the Company's increased sales, marketing and distribution activities.

Investing activities

Net cash flows used in investing activities during the three-month period ended December 31, 2015, decreased by $25,980, or 63%, to $15,315, as compared to $41,295 during the previous corresponding period. For the six-month period ended December 31, 2015, the decrease was $68,985 to $53,800 as compared to $122,785 in previous year. During the last financial year, due to the expansion plan and hiring of additional staff, there was a significant increase in investing activities due to the purchase of property, plant and equipment. As a result, there was less need to incur similar expenditure during the current period.

Financing activities

There were no cash inflows or outflows from financing activities during the current period. During the previous corresponding period, net proceeds from the issue of shares of $3,377,734 was received. However net proceeds of $1,775,000 have been received from issue of shares, as of date of this MD&A.

SUMMARY OF QUARTERLY RESULTS

The following is a comparison of revenue and earnings for the previous fourteen quarters ended December 31, 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 $
December 31, 2015	147,017	(3,039,853)	(0.03)
September 30, 2015	203,814	(2,676,601)	(0.03)
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)

LIQUIDITY

During the six-month period ended 31 December 2015, the Group incurred a total comprehensive loss after income tax of $5,638,520 (2014: $4,067,524) and net cash outflows from operations of $6,557,474 (2014: $5,179,323). As at December 31, 2015, the Group held total cash and cash equivalents of $2,418,996 (June 2015: $9,027,722). Revenue for the six-month period ended December 31, 2015 of $350,831 was 23% lower than the figure for the corresponding period.

During the remainder of the 2016 financial year, the Company plans to further increase sales of its SIM™ solution through both direct sales and sales made via 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 exists around the Company’s ability to support its liquidity position under the current operating model.

Subsequent to December 31, 2015, the Company has raised $1,775,000, before the payment of costs, through the issue of new equity and as at the date of this report, the Company held cash reserves of approximately $3,160,000 which equates to 3 months or up until the month of May-16 of operating cash outflows.

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 is wholly dependent upon the raising of further capital.

The Company is currently evaluating several capital raising alternatives with a view to raising additional capital during March/April 2016. The Company has identified several potential investors who may be suitable to provide this capital, however no agreement with any party has been reached as at the date of this report. Consequently, there is significant uncertainty around the ability of the Company to raise funds using this method in the required timeframe. In addition, management has made application to an external debt provider to borrow approximately $1m, to be secured against the R&D tax receivable for the current financial year.

Management aims to finalise both of these agreements by April 2016 with the objective that the additional capital raised, combined with existing cash reserves, would enable the Company to fund operations for a period of 12 months from the date of this report.

The longer term viability of the Company is dependent on the following events occurring:

- The Company raising further capital and/or
- Securing a material license agreement with a significant up-front cash receipt

The Company must also continue increasing sales of the Company's SIM™ solution and license rights in Australia, North America and Europe and implementing cost containment and deferment strategies.

Due to the significant uncertainty surrounding the timing and quantum of the above events, there is a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern and, therefore, 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 is well placed to be successful in raising new funds in the timeframe required and, accordingly, have prepared the financial report on a going concern basis.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements in place as at December 31, 2015.

CAPITAL RESOURCES

As detailed above, the Group believes it has sufficient funds to meet its working capital requirements as at December 31, 2015, however it anticipates that net cash outflows from operating activities will continue for at least the next twelve months from the date of this MD&A. As a result, Management is currently pursuing a number of capital raising initiatives which are expected to be finalised in the third quarter of the current financial year.

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	169,214
- later than one year but not later than five years	220,538
- later than five years	-
Total minimum operating lease payments	389,752

As at the above date, the Group had entered into two operating lease 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	376,072
Level 40, 140 William Street Melbourne, Victoria 3000 Australia	ServCorp Pty. Ltd	Office	May 31, 2016	13,680

TRANSACTIONS BETWEEN RELATED PARTIES

Payments made to Directors and NEOs during the three-month period ended December 31, 2015

Name and title of Directors	Period	Short-term Salary/fees $	Other $	Post-employment Superannuation $	Long-term Long service leave $	Share-based Options $	Totals $
Michael W. Brown	**2015**	**54,794**	**-**	**5,206**	**-**	**-**	**60,000**
Non-Executive Chairman	2014	-	-	-	-	-	-
Philippa M. Lewis [1]	**2015**	**207,000**	**67,500**	**18,000**	**5,929**	**-**	**298,429**
Chief Executive Officer	2014	175,000	49,219	16,625	1,477	-	242,321
Ari B. Bergman [2]	**2015**	**7,393**	**16,667**	**940**	**-**	**-**	**25,000**
Non-Executive Director	2014	26,572	2,917	1,801	-	-	31,290
Warren R. Bingham [3]	**2015**	**-**	**25,000**	**-**	**-**	**-**	**25,000**
Non-Executive Director	2014	-	-	-	-	-	-
Damien M. Haakman [4]	**2015**	**-**	**25,000**	**-**	**-**	**-**	**25,000**
Non-Executive Director	2014	20,689	165,000	-	-	-	185,689
Craig J. Holland [5]	**2015**	**-**	**30,000**	**-**	**-**	**-**	**30,000**
Non-Executive Director	2014	7,667	-	-	-	-	7,667
Peter C. Cook [6]	**2015**	**-**	**-**	**-**	**-**	**-**	**-**
Former Non-Exec. Chair.	2014	28,788	-	2,375	-	-	31,163
Sub-totals for Directors	**2015**	**269,187**	**164,167**	**24,146**	**5,929**	**-**	**463,429**
	2014	258,716	217,136	20,801	1,477	-	498,130

Name and title of NEOs	Period	Short-term Salary/fees	Other	Post-employment Superannuation	Long-term Long service leave	Share-based Options	Totals
Thomas G. Howitt [7]	**2015**	**124,145**	**8,784**	**9,392**	**-**	**-**	**142,321**
Chief Financial Officer / Company Secretary	2014	121,708	10,919	9,392	-	-	142,019
Peta C. Jurd [8]	**2015**	**87,265**	**-**	**8,395**	**-**	**-**	**95,660**
Chief Commercial Officer	2014	-	-	-	-	-	-
Peter J. Curran [9]	**2015**	**133,447**	**35,000**	**16,003**	**2,540**	**-**	**186,990**
Chief Technology Officer	2014	129,812	-	12,332	1,055	93,450	236,649
Christopher R. Southerland [10]	**2015**	**192,963**	**36,513**	**-**	**-**	**-**	**229,476**
VP, US Sales and Market.	2014	-	-	-	-	-	-
Charles B. Cornish [11]	**2015**	**-**	**115,000**	**-**	**-**	**-**	**115,000**
Dir., Sales and Market. ANZ	2014	-	-	-	-	-	-
Wessel Van Dijk [12]	**2015**	**23,925**	**-**	**-**	**-**	**-**	**23,925**
VP, Europe Sales and Market.	2014	-	-	-	-	-	-
Edward W. Nixey	**2015**	**102,575**	**-**	**9,745**	**-**	**-**	**112,320**
General Counsel	2014	-	-	-	-	-	-
Paul Won [13]	**2015**	**110,000**	**19,564**	**12,308**	**-**	**-**	**141,872**
VP, Man. and Supply Chain	2014	37,184	-	3,533	-	-	40,717
Sub-totals for NEOs	**2015**	**774,320**	**214,861**	**55,843**	**2,540**	**-**	**1,047,564**
	2014	288,704	10,919	25,257	1,055	93,450	419,385

TRANSACTIONS BETWEEN RELATED PARTIES (cont.)

Total payments made to	**2015**	**1,043,507**	**379,028**	**79,989**	**8,469**	**-**	**1,510,993**
Directors and NEOs	2014	547,420	228,055	46,058	2,532	93,450	917,515

The amounts included in the tables above in respect of the six-month period ended December 31, 2015 include amounts paid by the Company and its subsidiaries to the individuals named and/or parties related to them, as disclosed below.

1. Payments made to Mrs. Lewis during the six-month period ended December 31, 2015 totalling $67,500 (as disclosed above under the heading "Other") compromised a contractual monthly incentive payment. In respect of the period ended December 31, 2014, an amount of $35,000 was paid as a dislocation and hardship allowance and certain expense payment fringe benefits totalling $14,219.

2. Payments made to Mr. Bergman during the six-month period ended December 31, 2015 totalling $16,667 (as disclosed above under the heading "Other") comprised fees paid to Blasey Services Pty. Ltd., a company associated with Mr. Bergman (2014: $Nil), in respect of services provided to the Company by Mr. Bergman as a Director.

3. Payments made to Mr. Bingham during the six-month period ended December 31, 2015, 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.

4. Payments made to Mr. Haakman during the six-month period ended December 31, 2015 totalling $25,000 (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 by Mr. Haakman as a Director. Payments made to Mr. Haakman during the six-month period ended December 31, 2014 totalling $165,000 comprised fees paid to Dussman Pty. Ltd. in respect of services provided to the Company in relation to its capital raising in July 2014.

5. Payments made to Mr. Holland during the six-month period ended December 31, 2015 totalling $30,000 (as disclosed above under the heading "Other") comprised fees paid to Jackabbey Road Pty. Ltd., a company associated with Mr. Holland, in respect of services provided to the Company by Mr. Holland as a Director.

6. 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.

7. Payments made to Mr. Howitt during the six-month period ended December 31, 2015 totalling $8,784 (as disclosed above under the heading "Other") comprised of performance bonus. Mr. Howitt resigned as Chief Financial Officer and Company Secretary effective January 15, 2016.

8. Ms. Jurd was appointed as Chief Commercial Officer on September 8, 2015.

9. Payments made to Mr. Curran during the six-month period ended December 31, 2015 totalling $35,000 (as disclosed above under the heading "Other") comprised of performance bonus.

10. Payments made to Mr. Southerland during the six-month period ended December 31, 2015 totalling $36,513 (as disclosed above under the heading "Other") comprised social security payments and reimbursement of medical insurance premiums of $12,525 and performance bonus of $23,988.

11. Payments made to Mr. Cornish during the six-month period ended December 31, 2015 totalling $115,000 (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. Mr. Cornish resigned as Director, Sales and Marketing Australia and New Zealand on October 1, 2015.

12. Mr. Wessel Van Dijk was appointed Vice President, Europe Sales & Marketing on November 30, 2015.

13. Payments made to Mr. Won during the six-month period ended December 31, 2015 totalling $19,564 (as disclosed above under the heading "Other") comprised of performance bonus.

Apart from the above, there were no other transactions between the Company and any related parties during the six-month period ended December 31, 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 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 period beginning on or after October 1, 2015:

- 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 six-month period December 31, 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.

The following standards and amendments to standards and interpretations are effective for annual periods beginning after October 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 six-month period ended December 31, 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 six-month periods ended December 31, 2015 and December 31, 2014, as disclosed in the Condensed Consolidated Interim Statement of Comprehensive Loss, contain the following items:

	Dec 31, 2015	**Dec 31, 2014**
	$	**$**
General and administration		
Employee benefits	(1,141,627)	(902,322)
Travel	(196,596)	(433,251)
Consultants fees	(99,046)	(338,732)
Insurance	(107,938)	(80,305)
Legal expenses	(86,614)	(87,929)
Depreciation and amortization	(70,508)	(62,619)
Other	(470,375)	(602,716)
	(2,172,704)	**(2,507,874)**
Research and development		
Employee benefits	(963,005)	(774,057)
Patent and R&D support and development fees	(384,824)	(481,329)
	(1,347,829)	**(1,255,386)**

OTHER MD&A REQUIREMENTS contd.

Additional Disclosure for Venture Issuers without Significant Revenue contd.

	Dec 31, 2015	Dec 31, 2014
	$	$
Sales, marketing and distribution		
Employee benefits	(1,955,727)	(884,675)
Travel	(297,287)	(5,476)
Consultants fees	(140,076)	-
Marketing and advertising	(349,930)	(22,909)
Other	(145,023)	-
	(2,888,043)	**(913,060)**

OUTSTANDING SHARE DATA

Summary of shares issued and outstanding

	Number of common shares	Amount $
Balance at July 1, 2014	65,653,326	43,935,952
Issue of common shares for cash	6,502,216	2,925,997
Issue of common shares for cash under Share Purchase Plan	1,572,201	707,500
Equity transaction costs	-	(255,763)
Balance at December 31, 2014	73,727,743	47,313,686
Balance at July 1, 2015	92,245,233	55,330,848
Issue of common shares for cash	-	-
Equity transaction costs	-	-
Balance at December 31, 2015	**92,245,233**	**55,330,848**

As of the date of this MD&A, being February 26, 2016, there was a total of 97,470,233 common shares in the Company on issue, of which a total of 32,815,558 were held as common shares and 64,654,675 were held as CDIs.

Summary of warrants outstanding

As of the date of these financial statements, being February 26, 2016, 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 this MD&A, being November 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.

OUTSTANDING SHARE DATA (cont.)

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

Summary of options outstanding

As of the date of this MD&A, being February 26, 2016, a total of 10,833,164 options over common shares in the Company were outstanding.

The numbers of options outstanding as at December 31, 2015, including the respective dates of expiry and exercise prices, are tabled below. 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
193,000	$0.70	July 7, 2015	June 30, 2019	$0.183
250,000	$0.50	September 18, 2015	September 18, 2018	$0.109

DIRECTORS AND OFFICERS

As of the date of this MD&A, being February 26, 2016, the names of the Directors and Officers of the Company are set out below.

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
Peta Jurd	Chief Commercial Officer 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” within the meaning of the Canadian securities laws. 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

FORWARD-LOOKING STATEMENTS (cont.)

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.

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.

A more complete discussion of the risks and uncertainties facing the Company is disclosed in the Company's continuous disclosure filings with Canadian securities regulatory authorities at www.sedar.com. 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. Additional information relating to the Company is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

BY ORDER OF THE BOARD

"*Craig J. Holland*"	"*Philippa M. Lewis*"
CRAIG J. HOLLAND *(Chairman, Audit and Risk Committee)*	PHILIPPA M. LEWIS *(Director and CEO)*

SIMAVITA LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE LOSS
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2015

	Notes	Three-month period ended December 31,		Six-month period ended December 31,	
		2015	**2014**	**2015**	**2014**
		$	**$**	**$**	**$**
Revenue		**147,017**	359,390	**350,831**	458,082
Cost of sales		**(61,067)**	(166,408)	**(144,311)**	(199,741)
Gross profit		**85,950**	192,982	**206,520**	258,341
Other revenue	5	**357,892**	916,557	**740,343**	963,541
Expenses					
Finance costs		**-**	-	**-**	-
General and administration		**(1,114,391)**	(1,395,610)	**(2,172,704)**	(2,507,874)
Occupancy costs		**(97,268)**	(95,848)	**(192,172)**	(189,173)
Research and development		**(717,707)**	(736,208)	**(1,347,829)**	(1,255,386)
Sales, marketing and distribution		**(1,554,329)**	(491,169)	**(2,888,043)**	(913,060)
Share-based payments expense		**-**	(93,500)	**(62,569)**	(423,913)
Transaction expenses		**-**	-	**-**	-
Loss before income tax		**(3,039,853)**	(1,702,796)	**(5,716,454)**	(4,067,524)
Income tax benefit		**-**	-	**-**	-
Loss for the period		**(3,039,853)**	(1,702,796)	**(5,716,454)**	(4,067,524)
Other comprehensive income		**(14,834)**	-	**77,934**	-
Total comprehensive loss for the period		**(3,054,687)**	(1,702,796)	**(5,638,520)**	(4,067,524)
Basic and diluted loss per common share	8	**(0.03)**	(0.20)	**(0.06)**	(0.36)

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

SIMAVITA LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	Notes	Consolidated Dec 31, 2015 $	Jun 30, 2015 $
Assets			
Current Assets			
Cash and cash equivalents	10	**2,418,966**	9,027,722
Trade and other receivables	11	**2,310,754**	1,612,614
Inventories		**634,858**	345,912
Other assets		**139,535**	159,534
Total Current Assets		**5,504,143**	11,145,782
Non-Current Assets			
Property, plant and equipment		**184,048**	204,488
Intangible assets		**69,737**	66,539
Total Non-Current Assets		**253,785**	271,027
Total Assets		**5,757,928**	11,416,809
Liabilities and Shareholders' Equity			
Liabilities			
Current Liabilities			
Trade and other payables	12	**706,545**	857,970
Provisions		**355,050**	298,466
Total Current Liabilities		**1,061,595**	1,156,436
Non-Current Liabilities			
Provisions		**81,297**	69,386
Total Non-Current Liabilities		**81,297**	69,386
Total Liabilities		**1,142,892**	1,225,822
Shareholders' Equity			
Share capital	13	**55,330,848**	55,330,848
Reserves	14	**3,618,570**	3,478,067
Retained losses	15	**(54,334,382)**	(48,617,928)
Total Shareholders' Equity		**4,615,036**	10,190,987
Total Liabilities and Shareholders' Equity		**5,757,928**	11,416,809

Approved and authorized by the Board on February 26, 2016

"Craig J. Holland" *"Philippa M. Lewis"*

CRAIG J. HOLLAND
(Chairman, Audit and Risk Committee)

PHILIPPA M. LEWIS
(Director and CEO)

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

SIMAVITA LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2015

	Share capital $	Reserves $	Retained losses $	Totals $
Balance at July 1, 2014	43,935,952	2,749,530	(39,154,719)	7,530,763
Net loss for the period	-	-	(4,067,524)	(4,067,524)
Other comprehensive income, net of tax	-	12,610	-	12,610
Movement in share-based payments reserve	-	423,913	-	423,913
Total comprehensive income/(loss) for the period	-	436,523	(4,067,524)	(3,631,001)
Transactions with owners				
Issue of common shares for cash	3,633,497	-	-	3,633,497
Equity transaction costs	(255,763)	-	-	(255,763)
Total transactions with owners	3,377,734	-	-	3,377,734
Balance at December 31, 2014	47,313,686	3,186,053	(43,222,243)	7,277,496
Balance at July 1, 2015	55,330,848	3,478,067	(48,617,928)	10,190,987
Net loss for the period	-	-	(5,716,454)	(5,716,454)
Movement in share-based payments reserve	-	62,569	-	62,569
Other comprehensive income, net of tax	-	77,934	-	77,934
Total comprehensive income/(loss) for the period	-	140,503	(5,716,454)	(5,575,951)
Transactions with owners				
Issue of common shares for cash	-	-	-	-
Equity transaction costs	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at December 31, 2015	**55,330,848**	**3,618,570**	**(54,334,382)**	**4,615,036**

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

SIMAVITA LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2015

	Three-month period ended December 31,		Six-month period ended December 31,	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Cash flows used in operating activities				
Loss for the period	**(3,039,853)**	(1,702,796)	**(5,716,454)**	(4,067,524)
Non-cash items				
Depreciation and amortization	**35,307**	35,677	**70,508**	62,619
Accrued interest	**-**	(11,232)	**-**	(11,232)
(Gain)/Loss on sale of asset	**530**	(10,109)	**530**	(10,109)
Net foreign exchange movement	**17,087**	7	**75,386**	7
Loss on acquisition	**-**	-	**-**	-
Loss Provision/Write-Off	**-**	-	**8,000**	-
Share-based payments expense	**-**	93,500	**62,569**	423,913
Changes in assets and liabilities				
(Increase)/decrease in receivables	**(381,565)**	(1,101,697)	**(706,140)**	(1,099,035)
(Increase)/decrease in inventories	**(158,802)**	31,142	**(288,946)**	44,639
(Increase)/decrease in other assets	**38,276**	(914)	**19,999**	(79,787)
Increase/(decrease) in payables	**(188,140)**	29,119	**(151,425)**	(481,773)
Increase/(decrease) in provisions	**41,994**	(5,139)	**68,499**	38,959
Net cash flows used in operating activities	**(3,635,166)**	(2,642,442)	**(6,557,474)**	(5,179,323)
Cash flows from/(used in) investing activities				
Purchases of plant and equipment	**(14,645)**	(37,407)	**(39,667)**	(118,896)
Purchases of intangible assets	**(1,535)**	(14,797)	**(14,998)**	(14,797)
Proceeds from the sale of fixed assets	**865**	10,909	**865**	10,909
Cash received on reverse takeover	**-**	-	**-**	-
Net cash flows from/(used in) investing activities	**(15,315)**	(41,295)	**(53,800)**	(122,785)
Cash flows from financing activities				
Proceeds from the issue of shares by the Company	**-**	-	**-**	3,633,497
Proceeds from the issue of shares by Simavita Holdings Limited	**-**	-	**-**	-
Equity transaction costs	**-**	(29,590)	**-**	(255,763)
Net movement in borrowings	**-**	-	**-**	-
Net cash flows from financing activities	**-**	(29,590)	**-**	3,377,734
Net increase/(decrease) in cash held	**(3,650,481)**	(2,713,327)	**(6,611,274)**	(1,924,374)
Cash at the beginning of period	**6,101,398**	7,633,150	**9,027,722**	6,844,197
Net foreign exchange differences on cash	**(31,921)**	12,603	**2,548**	12,603
Cash at the end of period	**2,418,996**	4,932,426	**2,418,996**	4,932,426

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

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 condensed consolidated interim financial statements of the Company as at and for the six-month period ended December 31, 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, 2015 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

The accounting policies adopted are consistent with those in the previous financial year except as described below:

1. No new accounting standards are applicable for the current reporting period.
2. Other amendments to IFRS effective for the financial year ending June 30, 2016 are not expected to have a material impact to the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to be expected total annual profit or loss.

Going concern

During the six-month period ended December 31, 2015, the Group incurred a total comprehensive loss after income tax of $5,638,520 (2014: $4,067,524) and net cash outflows from operations of $6,557,474 (2014: $5,179,323). As at December 31, 2015, the Group held total cash and cash equivalents of $2,418,966 (June 2015: $9,027,722).

3. Summary of significant accounting policies (cont.)

(a) Basis of preparation (cont.)

Subsequent to December 31, 2015, the Company has raised $1,775,000, before the payment of costs, through the issue of new equity and as at the date of this report, the Company held cash reserves of approximately $3,160,000 which equates to 3 months of operating cash outflows.

As the Group continues to experience cash outflows from operations, its ability to continue as a going concern and meet its debts and commitments as they fall due is wholly dependent upon the raising of further capital by April 2016.

The Company is currently evaluating several capital raising alternatives with a view to raising additional capital during March/April 2016. The Company has identified several potential investors who may be suitable to provide this capital, however no agreement with any party has been reached as at the date of this report. Consequently, there is uncertainty around the ability of the Company to raise funds using this method in the required timeframe. In addition, management has made application to an external debt provider to borrow approximately $1m, to be secured against the R&D tax receivable for the current financial year.

Management aims to finalise capital raising arrangements by April 2016 with the objective that the additional capital raised, combined with existing cash reserves, would enable the Company to fund operations for a period of 12 months from the date of this report.

On an ongoing basis the longer term viability of the Company is dependent on raising further capital and / or securing a material license agreement with a significant upfront cash receipt. The Company must also continue increasing sales of the Company's SIM™ solution in Australia, North America and Europe and implementing cost containment and deferment strategies.

Due to the significant uncertainty surrounding the timing and quantum of the above events, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, 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 is well placed to be successful in raising new funds in the timeframe required and, accordingly, have prepared the financial report on a going concern basis.

(b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and the entities it controlled, being Simavita Holdings Limited, Simavita (Aust.) Pty. Ltd., Simavita US, Inc. and Fred Bergman Healthcare Pty. Ltd. A Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. These consolidated financial statements are prepared using the principles of reverse takeover accounting as described in Note 2. Intracompany balances and transactions, including any unrealized 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 October 1, 2015:

- 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 three-month period ended December 31, 2015 and, as a result, the adoption of this amendment did not impact the Company's financial statement disclosures.

3. Summary of significant accounting policies (cont.)

(c) Change in accounting policies (cont.)

- 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 periods beginning after January 1, 2016 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.

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.

(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.

4. Critical accounting estimates and judgments (contd)

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.

	Three-month period ended December 31,		**Six-month period ended December 31,**	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
5. Other revenue				
Interest revenue	**20,922**	65,335	**63,654**	112,319
Gain/(Loss) on sale of asset	**(530)**	10,109	**(530)**	10,109
R&D tax incentive	**337,500**	841,113	**675,000**	841,113
Miscellaneous Income	**-**	-	**2,219**	-
Total other revenue	**357,892**	916,557	**740,343**	963,541

Note: The prior year comparative numbers have been reclassified to include R&D tax incentive that was previously reported separately within income tax expense. This treatment aligns with common industry practice.

6. Expenses

Depreciation of fixed assets	**(29,508)**	(24,173)	**(58,710)**	(45,908)
Amortization of intangible assets	**(5,799)**	(11,504)	**(11,798)**	(16,711)
Total depreciation and amortization	**(35,307)**	(35,677)	**(70,508)**	(62,619)
Employee benefits expenses	**(2,155,091)**	(1,333,182)	**(4,060,359)**	(2,561,053)
Research and development expenses (excluding employee benefits expenses)	**(237,432)**	(281,737)	**(384,824)**	(481,329)

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:

	Consolidated	
	Dec. 31, 2015	**Dec. 31, 2014**
	$	**$**
Loss for the period attributable to the owners of Simavita Limited	**(5,716,454)**	**(4,067,524)**
Weighted average number of shares used in calculating loss per share	**92,245,233**	**72,448,191**

Note: None of the 14,587,119 (June 2015: 14,144,119) 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.

8. Income tax

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 December 31, 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 effective tax rate in Australia is 30%.

Subject to the Group continuing to meet the relevant statutory tests, tax losses are available for offset against future taxable income. As at June 30, 2015, there are unrecognized tax losses with a benefit of approximately $10,459,546 (June 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.

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	
	Dec 31, 2015	**Jun 30, 2015**
	$	**$**
10. Cash and cash equivalents		
Cash at bank and on hand	**2,418,996**	4,027,722
Short-term deposits	**-**	5,000,000
Total cash and cash equivalents	**2,418,996**	9,027,722
11. Trade and other receivables		
Trade receivables	**192,954**	169,459
GST receivable	**103,216**	91,571
Accrued interest receivable	**-**	12,000
Research and development tax concession receivable	**2,014,584**	1,339,584
Total trade and other receivables	**2,310,754**	1,612,614

Note: Trade and other receivables for the Group include amounts due in Australian dollars of $2,302,396 (June 2015: $1,584,806), US dollars of USD 3,883 (June 2015: Nil) and European Euros of EUR Nil (June 2015: EUR 19,192). Refer Note 20 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.

12. Trade and other payables

Trade payables	**294,196**	273,313
GST payable	**12,404**	9,494
Accrued expenses	**62,628**	165,854
Payroll-related payables	**215,024**	369,135
Other payables	**122,293**	40,174
Total trade and other payables	**706,545**	857,970

Note: Trade and other payables for the Group include amounts due in Australian dollars of $589,405 (June 2015: $814,784), US dollars of USD 51,263 (June 2015: USD 16,657), Canadian dollars of CAD 7,592 (June 2015: CAD 17,322) and European euros of EUR 26,174 (June 2015: EUR 2,210). Refer Note 20 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.

13. Share capital

Summary of common shares issued and outstanding

	Number of common shares	Amount $
Balance at July 1, 2014	65,653,326	43,935,952
Issue of common shares for cash	6,502,216	2,925,997

13. Share capital (cont.)

	Number of common shares	Amount $
Issue of common shares for cash under Share Purchase Plan	1,572,201	707,500
Equity transaction costs	-	(255,763)
Balance at December 31, 2014	73,727,743	47,313,686
Balance at July 1, 2015	92,245,233	55,330,848
Issue of common shares for cash	-	-
Equity transaction costs	-	-
Balance at December 31, 2015	**92,245,233**	**55,330,848**

As of the date of these financial statements, being February 26, 2016, there was a total of 97,470,233 common shares in the Company on issue, of which a total of 32,815,558 were held as common shares and 64,654,675 were held as CDIs.

As noted in Subsequent Events, following the approval at the Special General Meeting on February 25, 2016 6,666,667 common shares at an issue price of $0.15 per share and 1,333,333 Placement Options will be issued in early March 2016 to Dussman Pty Ltd (an entity associated with Mr Damien Haakman, a Director of the Company).

Summary of warrants outstanding

As of the date of these financial statements, being February 26, 2016, 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 November 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.

Summary of options outstanding

As at December 31, 2015, a total of 10,833,164 options over common shares in the Company were outstanding.

The numbers of options outstanding as at December 31, 2015, including the respective dates of expiry and exercise prices, are tabled below. 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
193,000	$0.70	July 7, 2015	June 30, 2019	$0.183
250,000	$0.50	September 18, 2015	September 18, 2018	$0.109

	Consolidated	
	Dec 31, 2015	**Jun 30, 2015**
	$	**$**
14. Reserves		
Share-based payments reserve	**3,055,245**	2,992,676
Share capital reserve	**499,445**	499,445
Foreign currency reserve	**63,880**	(14,054)
Total reserves	**3,618,570**	3,478,067
15. Retained losses		
Balance at the beginning of the period	**(48,617,928)**	(39,154,719)
Add: net loss attributable to owners of Simavita Limited	**(5,716,454)**	(9,463,209)
Balance at the end of the period	**(54,334,382)**	(48,617,928)
16. Commitments and contingencies		
Operating lease expenditure commitments		
Minimum operating lease payments		
- not later than one year	**169,214**	192,134
- later than one year but not later than five years	**220,538**	299,785
- later than five years	**-**	-
Total minimum operating lease payments	**389,752**	491,919

As at December 31, 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	54 Miller Street	Office	June 30, 2018	376,072

North Sydney, NSW 2060 Australia	Pty. Ltd.			
Level 40, 140 William Street Melbourne, Victoria 3000 Australia	ServCorp Pty. Ltd.	Office	May 31, 2016	13,680

17. 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.

	Three-month period ended December 31,		Six-month period ended December 31,	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Business segment				
Statement of Comprehensive Loss				
Sales	**147,017**	359,390	**350,831**	458,082
Other revenue	**20,392**	75,444	**65,343**	122,428
Totals	**167,409**	434,834	**416,174**	580,510
Loss for the period	**(3,054,687)**	(1,702,796)	**(5,638,520)**	(4,067,524)
Amortization and depreciation	**(35,307)**	(35,677)	**(70,508)**	(62,619)

	Consolidated	
	Dec 31, 2015	**June 30, 2015**
	$	**$**
Statement of Financial Position		
Total assets	**5,757,928**	11,416,809
Total liabilities	**(1,142,892)**	(1,225,822)

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.

Geographic segments	Three-month period ended December 31,		Six-month period ended December 31,	
(Statement of Comprehensive Loss)	**2015**	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Australia				
Sales	**143,131**	151,751	**307,434**	250,443
Other revenue	**20,392**	75,444	**65,343**	122,428
Totals	**163,523**	227,195	**372,777**	372,871

Loss for the period	**(2,311,589)**	(1,615,114)	**(4,219,502)**	(3,825,105)
Amortization and depreciation	**(35,209)**	(35,534)	**(70,297)**	(62,339)

17. Segment information (cont.)

	Three-month period ended December 31,		Six-month period ended December 31,	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
North America				
Sales	**3,886**	207,639	**8,635**	207,639
Other revenue	**-**	-	**-**	-
Totals	**3,886**	207,639	**8,635**	207,639
Loss for the period	**(615,437)**	(87,682)	**(1,226,097)**	(242,419)
Amortization and depreciation	**(98)**	(143)	**(211)**	(280)
Europe				
Sales	**-**	-	**34,762**	-
Other revenue	**-**	-	**-**	-
Totals	**-**	-	**34,762**	-
Loss for the period	**(127,661)**	-	**(192,921)**	-
Amortization and depreciation	**-**	-	**-**	-
Totals				
Sales	**147,017**	359,390	**350,831**	458,082
Other revenue	**20,392**	75,444	**65,343**	122,428
Totals	**167,409**	434,834	**416,174**	580,510
Loss for the period	**(3,054,687)**	(1,702,796)	**(5,638,520)**	(4,067,524)
Amortization and depreciation	**(35,307)**	(35,677)	**(70,508)**	(62,619)

	Assets		Liabilities	
Statement of Financial Position	**December 31, 2015**	**June 30, 2015**	**December 31, 2015**	**June 30, 2015**
	$	**$**	**$**	**$**
Australia	**5,649,383**	11,381,567	**1,132,166**	1,200,286
North America	**108,545**	35,242	**10,726**	25,536
Europe	**-**	-	**-**	-
Totals	**5,757,928**	11,416,809	**1,142,892**	1,225,822

There were no intersegment sales. Included in the above figures are the following intersegment balances:

	Consolidated	
	Dec 31, 2015	**June 30, 2015**
	$	**$**
Loans payable (North America) and loans receivable (Australia)	**2,548,757**	1,334,656

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 six-month period ended December 31, 2015, there were no customers from whom the Group generated revenues representing more than 10% of the total consolidated revenue from operations. During the six-month period ended December 31, 2014, there was one such customer.

18. 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.

Risk is managed by the Group's senior management team which (through its executive sponsor) reports to the Group's Audit and Risk Committee (the "Committee"). This Committee operates under guidance provided by the Board of Directors. Management identifies and evaluates risks in close cooperation with the Group's operating units. A detailed Enterprise Risk Plan (the "Plan") was developed during the year ended June 30, 2015 and approved by the Board. This Plan is reviewed by the Group's senior management on a regular basis which (through the executive sponsor) reports at each Audit and Risk Committee meeting.

The Board, via the Committee, provides guidance for overall risk management, as well as policies covering specific areas. 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.

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	
	Dec 31, 2015	**June 30, 2015**
	$	**$**
Financial assets		
Cash and cash equivalents	**2,418,966**	9,027,722
Trade and other receivables	**2,310,754**	1,612,614
Performance bond and deposits	**139,535**	159,534
Total financial assets	**4,869,255**	10,799,870
Financial liabilities		
Trade and other payables	**706,545**	857,970
Total financial liabilities	**706,545**	857,970

19. Financial risk management (cont.)

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 December 31, 2015 (as set out above) approximate their carrying values due to the short term nature of these instruments.

20. Subsequent events

On January 15, 2016 the Company received an amount of $1,266,862 under the Australian Federal Government's Research and Development Tax Incentive Scheme. The amount received was recorded as a receivable in the Company's statement of financial position as at December 31, 2015.

On January 28, 2016 the Company issued a total of 4,000,000 CDIs (represented by 4,000,000 common shares) to institutional and sophisticated investors in Hong Kong, Germany and Australia (the "Placement"). The issue of the securities under the Placement, at the issue price of $0.15 per security, raised a total of $600,000, before the payment of associated expenses. In addition, 800,000 Placement Options were issued on the basis of one attaching Placement Option for every five CDIs issued. Each Placement Option will entitle the holder to acquire one common share / CHESS Depository Interests (CDIs) in the Company at an issue price of AUD$0.15 for a period of 12 months from the date on which the Placement Option is granted. The Placement Options will not be listed on either the ASX or the TSX-V.

On February 16, 2016 the Company announced the retirement of two directors, Mr. Ari Bergman and Mr. Damien Haakman, effective 29 February 2016. It further announced that the Company has retained Integrated Equity Pty Ltd, a company associated with Michael Brown, the Chairman of the Company, to provide corporate advisory services. The engagement of Integrated Equity is for a term of two months, and allows for up to 16 consulting days per month, at a fee of AUD$2,500 per day. For the avoidance of doubt, the engagement will not attract any other fees, and no securities of the Company will be issued to Integrated Equity in connection with the engagement.

On February 19, 2016 the Company issued a total of 1,225,000 CDIs (represented by 1,225,000 common shares) to existing shareholders under a Share Purchase Plan. The subscription price was AUD$0.15 per CDI, with one additional CDI being allotted for every 20 CDIs that were applied for.

At the Special General Meeting held on February 25, 2016 shareholder approval was received to issue to Dussman Pty Ltd (an entity associated with Mr Damien Haakman, a Director of the Company) 6,666,667 common shares at an issue price of $0.15 per share and 1,333,333 Placement Options.

Apart from these transactions, there were no events that have occurred subsequent to December 31, 2015 that have not been disclosed elsewhere in these financial statements.

SIMAVITA LIMITED

CORPORATE INFORMATION

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
Peta C. Jurd

Registered Office
25th 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

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

Auditor
PricewaterhouseCoopers
Chartered Accountants
Freshwater Place
2 Southbank Boulevard
Southbank Vic. 3006
Australia

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

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

Report on Review of Interim Financial Information

To the Shareholders of Simavita Limited

Introduction

We have reviewed the condensed consolidated interim statement of financial position of Simavita Limited and its subsidiaries (together 'the Company') as at 31 December 2015 and the condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the three- and six-month periods then ended. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 31 December 2015, and of its financial performance and its cashflows for the three- and six-month periods then ended in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including International Accounting Standard 34, *Interim Financial Reporting*.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 3(a) in the condensed consolidated interim financial statements, which indicates that the Company incurred a total comprehensive loss after income tax of $5,638,520 and net cash outflows from operations of $6,557,474. As a result the company is dependent on successfully completing a capital raising and other related operational strategies. These conditions, along with other matters set forth in Note 3(a), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

PricewaterhouseCoopers
Melbourne

26 February 2016

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