



## **SIMAVITA MARKET UPDATE**

### **PIVOT – Our Strategy and Commitment**

**For Immediate Release:**

**August 9, 2017**

**Sydney Australia** - Simavita Limited (ASX:SVA) a world leader in smart, wearable and disposable sensors for the global diaper industry, today provided a progress report on its recently announced corporate strategy – PIVOT – the Company’s focus upon major and rapidly growing markets for adult and infant diapers which currently amount to over US\$21bn annually.

The Simavita product range encompasses the Company’s incontinence assessment sensors and tools including ASSESSPLUS™ and SIM™. Our new core platform technology is focused upon delivering ALERTPLUS™, a hyper low cost product for all adult and infant diapers.

#### **ALERTPLUS™ hyper low cost sensor platform technology for all diapers:**

Simavita has now completed a number of important milestones:

1. Patents for our core platform technology have been granted in all major markets.
2. ALERTPLUS™ has been manufactured in low volume through a manufacturing partner
3. A fully downloadable APP for smart devices is available and a low cost data capture device has been developed using industry standard electronic components.
4. A marketing assessment has been completed and strategy for roll out determined.
5. Detailed discussions have commenced with a number of major international manufacturers.

#### **ASSESSPLUS™ and SIM™ - Simavita’s Incontinence Assessment Products:**

ASSESSPLUS™ revenues are growing across all markets. Furthermore, many existing SIM™ users have converted to ASSESSPLUS™.

#### **EUROPEAN MARKET**

We are delighted to announce that Simavita has signed a 3 year distribution agreement with OneMed A/S covering The Netherlands and Nordic Countries. OneMed is a large distributor of medical product in Europe with an annual turnover of approximately €400m and provide medical supplies and services to over 33,000 healthcare providers.

Simavita Chairman Michael Spooner said “We’re very pleased to have OneMed representing Simavita in Europe. OneMed goals are very aligned to ours, with a focus on patient outcomes and total cost of care. Simavita’s incontinence solutions are complementary to the products and services that OneMed offer in the incontinence and wound care market.”

OneMed will replace Abena as Simavita’s representative in Denmark.

Simavita has also made substantial headway in identifying distribution partners in both the UK and Spanish markets.

## **NORTH AMERICAN MARKET**

Our North American operations have undergone substantial change:

In recognising a changing market place together with Simavita's changing product mix, we have altered our relationship with Medline to that of non-exclusive distribution. Simavita maintain a close and ongoing working relationship with Medline and continue to explore new opportunities. We do not believe the redefined relationship with Medline has effected previously existing business, rather it has enabled Simavita to better manage its operations and commitments in North America and for us to explore new business opportunities.

Simavita has now significantly cut staffing and operational costs in this market. Our new operational focus will be to tightly restrict costs whilst maintaining our existing relationships and growing new business.

### **New Customers**

A New York based health care provider has entered into a supply agreement with Simavita to implement the ASSESSPLUS™ Incontinence Management Systems across their group of 7 hospitals and affiliates. The ASSESSPLUS™ solution was chosen in order to improve clinical outcomes related to managing patients suffering from urinary incontinence and associated conditions such as Falls, Urinary Tract Infections and Skin Issues.

A major long term care group in the US has commenced a pilot of ASSESSPLUS™ at 2 facilities. Assessments will be conducted on 50 residents over a 90 day period. Results of the pilot are expected to be available Q3 2017.

A majority of existing customers in North America have now transitioned to ASSESSPLUS™ with positive customer feedback and increasing assessment numbers.

Several new pilots and sales have also been generated by our Canadian distributor Medical Mart.

## **ANZ MARKET**

USL Medical in New Zealand has signed a 2-year distribution agreement which will allow Simavita and USL to further drive innovation and technology into the NZ market offering greater clinical outcomes and cost savings. USL Medical is a major distributor to the District Health Boards in New Zealand.

The past 2 months has seen a number of new clients in Australia committing to ASSESSPLUS™:

- One of the largest aged care groups in Queensland has signed a 1 year contract for 3 of their facilities
- McKenzie Aged Care has contracted to pilot ASSESSPLUS™ at 2 of their facilities
- A rural aged care facility in Victoria has purchased ASSESSPLUS™
- A major public sector rehabilitation unit and an aged care facility in Adelaide are also trialling the new technology.
- A large Community Care provider has contracted to pilot ASSESSPLUS™.
- An aged and community care provider in Adelaide has purchased ASSESSPLUS™ for its 4 aged care facilities and its' community care business.

## **COST AND REVENUE OUTLOOK**

As highlighted above, the Company has continued a very proactive process of cost control and reduction. Over the past several months, this process has resulted in a 40% reduction in recurring monthly expenses. In addition to tight management of discretionary spend, cost reductions have occurred through a reduction in staff numbers, particularly in Australia and North America. In the first instance, significant staffing reductions were made to non critical management, overhead and product areas. More recently, staff reductions have occurred in specific sales and other functions that have not produced budgeted outcomes or are non critical to the Company's strategy.

Over the past several months there has been an overall improvement in sales activities and outcomes for the Company. Business in ANZ has however come under increasing pressure as the Government and reimbursement agencies continue to modify policy. As a consequence, a number of aged care providers have reviewed their operations and costs. This has resulted in a small number of customers electing not to renew their agreements for SIM™. Based upon currently committed orders from new customers, we anticipate that revenue projections for our traditional products (i.e. excluding ALERTPLUS™) for the current financial year will not be materially affected.

## **OUR COMMITMENT**

Simavita is a global leader in smart, wearable and disposable sensors for the health care market. Our commitment is to rapidly build a profitable and valuable business.

For further information, please view our website ([www.simavita.com](http://www.simavita.com)) or contact:

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## **About Simavita**

Simavita (ASX: SVA) develops and markets advanced systems associated with smart, wearable and disposable sensors for the health care industry. Our first products focus on major unmet needs for the assessment and management of incontinence. The annual global economic burden is billions of dollars for incontinence diapers alone and is increasing rapidly.

Simavita operates in Australia, Europe and North America where there is a significant and growing demand for products that deliver real clinical and cost benefits to the health care industry.

With the support of our shareholders, customers and employees, Simavita is absolutely committed to the business at hand; creating a commercially successful and growing corporation. [www.simavita.com](http://www.simavita.com)

### *Forward-Looking Information*

*This document may contain "forward-looking information" within the meaning of Canadian securities laws ("forward-looking information"). This forward-looking information is given as of the date of this document.*

*Forward-looking information relates to future events or future performance and reflects Simavita management's expectations or beliefs regarding future events. Assumptions upon which such forward-looking information is based include that Simavita will be able to successfully execute on its business plans, including licensing agreements, signing new customers, growth plans, cost reductions and entry into new markets. Many of these assumptions are based on factors and events that are not within the control of Simavita and there is no assurance they will prove to be correct.*