



## ASX ANNOUNCEMENT

### Simavita releases 2020 Annual Report

For Immediate Release:

26 October 2020

**Sydney, Australia** – Simavita Limited (“**Simavita**” or the “**Company**”) (ASX: SVA) is pleased to release its 2020 Annual Report.

Copies of the 2020 Annual Report may be obtained from the Company by contacting Ms Danielle Tiller at [dtiller@simavita.com](mailto:dtiller@simavita.com) or via telephone on (02) 8405 6300.

For further information, please visit the Company’s website ([www.simavita.com](http://www.simavita.com)) or contact the person outlined below.

Ms Peta Jurd  
Chief Commercial Officer

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W: Investor Centre: [Click here](#)

#### 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. 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.*

*In certain cases, forward-looking information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “potential”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or information that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. By its very nature forward-looking*

*information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Simavita to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, risks related to actual results of current business activities; changes in business plans and strategy as plans continue to be refined; other risks of the medical devices and technology industry; delays in obtaining governmental approvals or financing or in the completion of development activities; as well as those factors detailed from time to time in Simavita's interim and annual financial statements and management's discussion and analysis of those statements. Although Simavita has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Simavita provides no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information*

# Simavita Annual Report 2020



Simavita

# Simavita

"Importantly, the Company has materially progressed active dialogue with a number of organisations with specific interest in our platform technology. These negotiations are complex, incomplete and conditional. Simavita is committed to informing our shareholders on a timely basis should these negotiations become finalised and binding agreements are entered."



**SMARTZ™**  
**GOOD DESIGN OF THE**  
**YEAR AWARD 2019**

A truly industry  
disruptive technology.

# Contents

---

2

Chairman's Letter

4

About Simavita

8

Board of Directors

9

Senior Management

10

Directors' Report

20

Corporate Governance Statement

21

Financial Statements

25

Notes to the Consolidated Financial Statements

52

Directors' Declaration

53

Independent Auditor's Report

58

ASX Additional Information

61

Corporate Information

The Corporate Governance Statement outlining Simavita Limited's corporate governance framework and practices in the form of a report against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd Edition, is available on the Simavita Limited website at <http://www.simavita.com/irm/content/corporate-governance.aspx> in accordance with ASX listing rule 4.10.3. The Directors approved the 2020 Corporate Governance Statement on August 28, 2020.

# Chairman's Letter

In working with partner organisations, it is clear that the impact of the Smartz™ technology platform on the manufacture and sale of hygiene product is profound.

Michael Spooner  
Chairman



On behalf of the Directors and staff of Simavita, I invite you to review the results of the Company for the financial year ending 30 June 2020 as set out in the following pages.

COVID-19 has had a devastating impact on businesses globally. Internationally, aged care has been largely closed to new clinical programs. Manufacturers on their side, have had to contend with keeping production, supply and logistic lines operational. As a consequence, Simavita's well laid plans to commence clinical and commercial rollout programs during the 2020 financial year were significantly impacted.

Throughout the year, we have very much refocused our attention on progressing matters where we have some control and where we believe we will deliver the greatest shareholder value, including:

- Building relationships with major international partner organisations;
- Progressing our corporate reorganization strategy; and
- Completing the development of a fully functional Cloud Based and App Driven, platform technology.

When and where possible, we have conducted clinical testing in Australia. We have also completed significant internal product testing to the highest possible levels.

We have designed Smartz™ as a platform technology, to deliver significant cost and functional advantage over dumb diapers and competing smart technologies. These advantages go well beyond ease of use and exceptionally low cost of manufacture, with significant functional improvements. Manufacturers can now deliver Smartz™ enabled product in as little as days from a standing start. Furthermore, Smartz™ product may now be customised to suit the strengths and individual requirements of each partner organisation including full multi-lingual support.



Importantly, the Company has materially progressed active dialogue with a number of organisations with specific interest in our platform technology. These negotiations are complex, incomplete and conditional. Simavita is committed to informing our shareholders on a timely basis should these negotiations become finalised and binding agreements are entered.

Our business strategy is clear, maintain low operating costs, whilst seeking to license our technology to major partner organisations in the world's largest markets.

Our revenue model is to focus on technology development, delivery and in the management of data. Equally, we're committed to enabling partner organisations to sell low cost and highly functional Smartz™ product to their customers.

Simavita will benefit through larger market penetration and low operating costs. Manufacturing companies will benefit from reduced product cost, significantly better product offerings and data. Importantly, end users benefit from vastly improved service levels... and healthier outcomes.

In working with partner organisations it is clear that the impact of the Smartz™ technology platform on the manufacture and sale of hygiene product is profound. These impacts include significantly changed product offerings, training in the sale and support of product, data collection, pricing and in meeting end customer demands... to name a few. Equally however, we appreciate that there is real drive for change by consumers and drive to adopt this new wave, disruptive technology by manufacturers.

The Company has declared that it is committed to delivering its reorganisation strategy. With this in mind, our goal has been to deliver a corporate and operational structure which best suits our investors whilst enabling the business to create and enter rapidly into major agreements with partner organisations. We recognise that Simavita as a Canadian company listed on the Australian Stock Exchange means that we continually grapple with a number of very unique challenges which are both expensive and time consuming to manage. It is your Board's firm intention to announce to our shareholders the Company's reorganisation strategy in due course.

## YOUR SUPPORT

I appreciate the support shareholders have given over the course of the last year. We have all worked extremely hard to turn the company around. Whilst we continue to rely upon the support of shareholders, it is clear that the market opportunity is significant and that we have developed a smart platform technology that uniquely meets real market need.

I would like to take this opportunity to thank you, our shareholders, for your support. It has been a long and difficult road that has seen the company reinvent itself. I would also like to thank the staff of Simavita who see the vision and are committed to deliver on that vision.



**Michael Spooner**  
Chairman of the Directors  
Simavita Limited

The ongoing development of healthcare technologies that meet the SMART characteristics will be crucial for the sustainability of healthcare systems, including ensuring that they are better prepared to cope with future infectious disease outbreaks.

## SMART characteristics:

- Straightforward and easy to use
- Measurable impact
- Agile solutions
- Reliant on industry collaboration
- Tailored to end-user needs

Deloitte Centre for Health Solutions: Digital transformation:  
Shaping the future of European healthcare September 2020

# About Simavita

## INTRODUCTION

Simavita Limited (ASX: SVA) is a MedTech Company focused on the development of smart, wearable and disposable platform technologies for the health care market.

Since 2017 Simavita has transitioned into a MedTech Company with a low recurring cost structure capable of delivering product to new and major markets of interest.

The Company can now deliver a portfolio of sensors and systems that will meet a clear demand for cost effective, better and timely information to address all segments of the international infant diaper and adult diaper industry. The opportunity represents a clear unmet market need to provide low cost product to a rapidly growing US\$53bn diaper market for infants and a US\$11bn market for adult incontinence pads.

## TECHNOLOGY – MAKING DIAPERS SMART AND CONNECTED WITH SMARTZ™

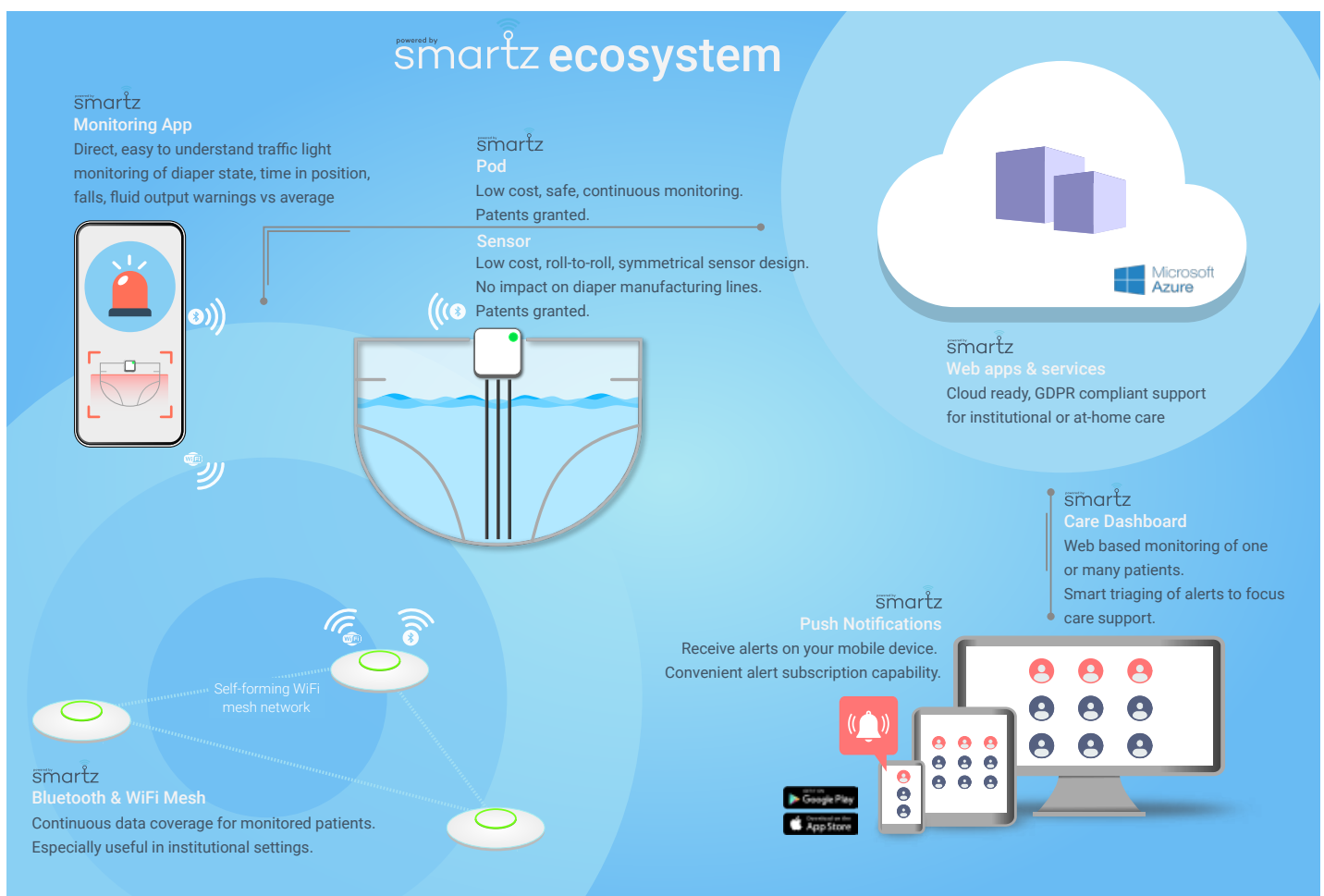
Smartz™ is Simavita's flagship product. It represents over 10 years of accumulated development, knowledge and

significant investment by the Company. Smartz™ is a platform of applications, which provides meaningful real time feedback on the wellbeing of the wearer. Smartz™ takes the worry out of care.

Simavita has thoroughly researched the market requirements through extensive engagement with global diaper manufacturers, distributors and consumers. This research has led to the development of wearable sensors and a portfolio of Apps that meet a clear demand for change in major markets. Our platform technology, Smartz™, delivers cost effectiveness as well as better and timely information to address all segments of the international adult incontinence and infant diaper industry.

In the short term, we are focused on a rapid route to market including full regulatory approval to sell product in major markets.

These are major market opportunities. The sale and negotiation process with partner organisations is often long and complex. Nonetheless, we are seeing enormous shift in focus toward smart diaper products in our target markets.





# The Smartz™ competitive edge

- No change to manufacturing machines or efficiency
- Hyper low cost of manufacturing
- Platform independent
- Apps tailored for major user
- "Plug and Play" ease of use for carers and parents
- Cloud based
- Machine learning
- Standards compliant & safe
- Adult and infant



## INTRODUCING SMARTZ™

SMARTZ™ unique sensor design has enabled us to produce a "Smart" enabled incontinence pad or diaper which, when combined with our Clip-on Smartz™ pod, enables accurate remote sensing of a number of acute indicators including a Diaper's capacity, identifying the best time to change for wearers comfort, convenience and dignity. This prevents users sitting in wet products, with subsequent discomfort and risk of skin breakdown.

The unique sensor design is low cost, enabling you to purchase "smart" diapers at little cost difference to existing products, and to save money on unnecessary product changes, whilst saving both time and money by reducing unnecessary checks, product changes and the need to change wet bedding/clothing, etc.

Smartz™ technology also incorporates sensors to measure movement, temperature and additional data to provide wellness data and warnings (e.g. Pressure sore risks and falls).

The Company is committed to a creating a profitable and valuable future through rapid innovation and the delivery of product that transforms lives.

# About Simavita

continued

## TECHNOLOGY ROADMAP

We believe that Smartz™ is an industry disruptive platform technology. It is anticipated that our technology will position Simavita to rapidly develop, modify and distribute Apps for end users. The platform nature of the technology allows for continuous growth and innovation. The Company has developed a number of additional applications which are currently in testing phase.

## PATENTED TECHNOLOGY

The Company's immediate strategy is to continue to evolve its smart, wearable and disposable sensors. We have an array of intellectual property patents covering 16 families of patents with 47 granted and 14 filed and in review across all-important international markets. Simavita devotes substantial budget to research and development and to expanding our global footprint.

"Smarz" making diapers smart and connected.

A US\$64bn market that has failed to change in 25 years"

## GLOBAL DIAPER MARKET

### Global Diaper Market Dynamics

US\$64bn  
annual sales



Value

US\$53bn  
US\$11bn

Volume

212bn  
27bn

#### RETAILERS

Sales measured in sq feet  
Drive Customer loyalty  
Store front + online



Diaper Industry:  
**200M+**  
people daily

#### CONSUMER DEMAND

Cheaper  
Greater Utility  
No longer brand driven  
Environmental concerns

#### MANUFACTURERS

Commodity market  
Highly competitive  
Reduced margins, > costs  
Differentiation is essential



Online sales ↑



Margins ↓

Only **marginal change** in product  
functionality during past **25yrs**

Environmental Impact  
**>200 years**  
to decompose

Simavita's opportunity from here is to materially build our revenue pipeline by licensing the Smartz™ platform technology, whilst maintaining a low cost structure.

## MILESTONES

During the year the Company has completed the next generation of the Smartz™ platform technology and achieved the following milestones:

- Advanced electronics and applications. Smartz™ now delivers a significantly expanded range of applications, flexible graphical user interface and powerful reporting tools from Cloud Based and highly secured data. Smartz™ now seamlessly delivers at home and in complex institutional settings.
- Manufactured adult and infant Smartz™ enabled diapers across multiple geographies and multiple product types and sizes. Full commercial manufacturing from a standing start can now occur within days.
- Secured logistics supply chains in the event of further disruptions.
- Significantly enhanced regulatory documentation, systems security and data confidentiality.
- Apps are now downloadable from multiple App Stores.
- The Company has materially completed planning and international training necessary to roll out product to a number of countries. However, due to COVID-19 requirements to completely lock down aged care facilities, this key target will remain in abeyance until the international community reopens.

## NEXT STEP STRATEGY – REVENUE FOCUS

Subject to the ongoing impact of Covid-19 on international markets, the Company's Next Steps Strategy involves:

- Small clinical studies in European market
- Delivery of adult product to market
- A pure focus on short term commercialization

### Our 2020/21 goals with limited funding:

- Proceed with Company reorganisation
- License Smartz™ technology and deliver product to market
- Completion of Clinical Test Program
- Continue to enhance the solution with additional value adding applications



# Board of Directors



## MICHAEL SPOONER

### Executive Chairman

Mr Spooner was appointed as Non Executive Chairman of Simavita in May 2016 and in July 2019 became Executive Chairman. Mr Spooner has also served on the Board of Directors of Mesoblast since 2004. During this period he has filled various roles including as Executive Chairman from the date of the ASX public listing in 2004 until 2007. He is currently a member of Simavita's Audit and Risk Committee and the Remuneration Committee.

He is also the Chairman of MicrofluidX since February 2018.

Over the past several years Mr Spooner has served on the Board of Directors in various capacities at several Australian and international biotechnology companies, including BiVacor Pty Ltd (2009-2013), Advanced Surgical Design & Manufacture Limited (2010-2011), Peplin, Inc. (2004-2009), Hawaii Biotech, Inc. (2010-2012), Hunter Immunology Limited (2007-2008), and as managing director of Ventracor Limited (2001-2003).

Prior to returning to Australia in 2001, he spent much of his career internationally where he served in various roles including as a partner to PA Consulting Group, a United Kingdom-based management consultancy and a Principal Partner and Director of Consulting Services with PricewaterhouseCoopers (Coopers & Lybrand) in Hong Kong.

In addition, Mr Spooner has owned and operated several international companies providing services and has consulted to a number of American and Asian public companies.



## DR GARY W PACE

### Non-Executive Director

Dr Pace has more than 40 years of experience in the development and commercialization of advanced life sciences and related technologies, spanning biotechnology, pharmaceuticals, medical devices, and food industries. He is a serial entrepreneur and has held senior positions in small to and large-scale life sciences ventures and companies in Australia, the USA and Europe. Dr Pace has contributed to the development of the biotechnology industry through honorary university appointments and industry and government committees.

He is currently a member of the Audit and Risk Committee and the Remuneration Committee.

Dr. Pace is currently a Director of two public companies; Pacira Pharmaceuticals Inc (NASDAQ: PCRX); and Antisense Therapeutics (ASX: ANP) as well as several private companies. He recently retired from ResMed (NYSE, RMD) after serving as a Director for 24 years.

Dr. Pace holds a B.Sc. (Hons I) from the University of New South Wales and a Ph.D. from the Massachusetts Institute of Technology. Also he has held visiting academic positions at the Massachusetts Institute of Technology and the University of Queensland. Dr. Pace is an elected Fellow of the Australian Academy of Technological Sciences and Engineering.



## DAMIAN HAAKMAN

### Non-Executive Director

Mr Haakman was appointed Non-Executive Director of Simavita in 2018.

Mr Haakman is the Managing Director of a private family office. He manages a portfolio including commercial property, property development joint ventures, mezzanine finance and bridging loans as well as investments in start-up and pre-listed companies. Damien's background includes; due diligence work, forecasting, market assumptions and trends. He has a keen interest and is following the growing wearable technology space as well as Connected Devices (Internet of Things (IoT), Smart Devices, Mobile Apps).

He is currently a member of the Audit and Risk Committee and the Remuneration Committee.

Mr Haakman was previously a Director of Simavita Holdings Limited from 2012 until February 2016 and a Director of Simavita Limited from the time of its ASX listing in November 2013 until 2016.

Mr Haakman is a member of the Australian Institute of Company Directors.



## ALAN D. FISHER

### Non-Executive Director

Mr Fisher was appointed to the Board on July 22, 2019.

Mr Fisher is the Managing Director of Fisher Corporate Advisory. He has extensive experience as a corporate advisor and professional director specialising in M&A, strategic advice, business restructurings and capital raisings.

Previously he spent 24 years at global accounting firm Coopers & Lybrand where he headed and grew the Melbourne Corporate Finance Division. He is a fellow of the Institute of Chartered Accountants ANZ and a member of the Australian Institute of Company Directors.

Mr Fisher is Chair of Simavita's Audit and Risk Committee.

He is currently Non- Executive Chair of Centrepoin Alliance Limited and IDT Australia Limited and Non-Executive Director and Chair of the Audit and Risk Committee of Thorney Technologies Limited and Bionomics Limited.

# Senior Management



## JOHN MCBAIN

### Non-Executive Director

Dr John McBain was appointed to the Company's Board as a casual vacancy. Dr McBain graduated in medicine from Glasgow University, and trained in obstetrics and gynaecology in Scotland. He came to Australia in 1976 to join the group of doctors researching IVF, as part of which he developed program.

Dr McBain was President of the Fertility Society of Australia in 1991, and Chairman of Melbourne IVF from 1998 to 2005. He was previously Head of Reproductive Services – ART at The Women's Hospital from 2002 to 2018. He is currently a director of Royal Women's Hospital Foundation that led to safe, successful super-ovulation.



## PETER J. CURRAN

### Chief Technology Officer

Peter is the Chief Technology Officer of Simavita and has been with the company since May 2009. He has over 30 years' experience in engineering, operations, and commercial management and has been active in consumer, industrial and defence markets across power, telecommunications, computer technology, gaming, audio, and medical device products and services.

Peter spent his early working career as an electronics design engineer of industrial power equipment for Lincoln Electric before moving into senior and principal engineering roles in defence with GEC Marconi systems and Stanilite and then into executive management positions in manufacturing, operations and commercial management within the electronics industry.

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



## PETA C. JURD

### Chief Commercial Officer

Peta was appointed Chief Commercial Officer in September 2015. She has extensive experience in health and technology companies.

Prior to joining Simavita, Peta was the Head of Hills Health Solutions at Hills Limited where she was responsible for leading the Health division, providing health technology to hospitals and aged care facilities in Australia and New Zealand. She has also held senior management positions at Telstra, Veolia Environmental Services and Mayne Nickless Health Care.

Peta has a strong commercial background and extensive experience running commercial and operational business units and governance areas such as compliance, risk management, human resources, safety and legal services. Peta is a Non-Executive Director of Healthdirect Australia Limited and previously served as a Director of the National Breast Cancer Foundation for 8 years.



## COLIN STICKLAND

### Consultant – European Operations

Colin is highly experienced in the healthcare, technology, retail and consumer goods industries and has worked for a number of well-respected companies in these fields over his 30 year career including 6 years with Beiersdorf.

He is a highly experienced sales and marketing professional and entrepreneur and has successfully grown brands and businesses at all lifecycle stages and in all sizes of organisation from start up's through to multi-national corporations.

Prior to working with Simavita, Colin was founder and CEO of Allanda Limited, a healthcare business he founded and grew over a decade through to successful business exit through acquisition.

Holding a degree in Business Administration from Aston University, over his career Colin has developed a broad skillset and his experience includes E-Commerce, Internet Marketing, Distributor Management, Partner Marketing, Market Launch, Sales Management and Business Strategy Development.

# Directors' Report

for the year ended June 30, 2020

The Directors submit their report on the consolidated entity consisting of Simavita Limited and the entities it controlled at the end of June 30, 2020. Throughout the report, the consolidated entity is referred to as the Group.

## DIRECTORS

The names of the Directors of Simavita Limited who held office during the year and to the date of this report are:

**Michael R Spooner**

**Gary W Pace**

**Damien M Haakman**

**Alan D Fisher**

(appointed July 22, 2019)

**John C McBain**

(appointed November 26, 2019)

## COMPANY SECRETARY

Peta C Jurd

## GROUP OVERVIEW

Simavita Limited is a public company incorporated in Canada and it is the ultimate parent company for four wholly-owned subsidiaries:

Simavita Holdings Limited  
Simavita (Aust) Pty Ltd  
Fred Bergman Healthcare Pty Ltd  
Simavita US Inc.

## PRINCIPAL PLACE OF BUSINESS

Principal place of business for the Group is Suite 2.02, Level 2, 54 Miller Street, North Sydney NSW 2060 Australia.

The country of incorporation of the ultimate parent and controlling entity of the Group is in Canada.

## PRINCIPAL ACTIVITIES

The Simavita Group of companies (the "Group") is one of the world leaders in the development of smart, wearable and disposable sensors for the global diaper industry. The Group is focused upon major and rapidly growing markets for adult and infant diapers which currently amount to over USD\$64bn annually.

The Group's product range now encompasses a comprehensive spectrum of electronic sensors and systems from incontinence assessment through to everyday use.

Smartz™ is the core platform technology. Smartz™ is a hyper low cost, completely disposable product linked to smart devices including phones and tablets. Its target market includes adult and infant users for all geographies.

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.



## INFORMATION ON DIRECTORS

The following information is current as at the date of this report.

### M R Spooner B Comm ACA - Executive Chairman

Experience and expertise	Appointed as Independent Non-Executive Director and Chairman on April 27, 2016 and became Executive Chairman on July 22, 2019. Extensive experience as a Director in medical device, biologics and pharmaceutical companies. Previously a Partner with major international consulting firms. Member of Institute of Chartered Accountants ANZ since 1983.
Other current directorships	Non-executive Director of Mesoblast Limited since 2004. Non-executive Chairman of MicrofluidX since February 2018.
Former directorships in last 3 years	None.
Special responsibilities	Executive Chairman of the Board.
Interests in shares and options	6,279,922 options issued at \$0.05 with an expiry date of June 23, 2023.

### Dr G W Pace B Sc (Hons 1) Ph.D.

Experience and expertise	Independent Non-Executive Director since April 27, 2016. More than 40 years of experience in the development and commercialization of advanced life sciences and related technologies, spanning biotechnology, pharmaceuticals, medical devices and food industries. Fellow of the Australian Academy of Technology Sciences and Engineering.
Other current directorships	Antisense Therapeutics Ltd since 2015. Pacira Pharmaceuticals since 2008.
Former directorships in last 3 years	ResMed Inc. from 1995 to 2019.
Special responsibilities	Member of the Audit and Risk Committee.
Interests in shares and options	6,279,922 options issued at \$0.05 with an expiry date of June 23, 2023.

### D M Haakman B Comm

Experience and expertise	Non-Executive Director since December 11, 2018. Extensive experience in private family office, which manages a diverse portfolio of assets including medical technology and connected smart devices. Graduate member of the Australian Institute of Company Directors.
Other current directorships	Dussman Pty Ltd since 2004.
Former directorships in last 3 years	None.
Special responsibilities	Member of the Audit and Risk Committee.
Interests in shares and options	385,757 CDIs and further 101,247,517 held by Dussman Pty Ltd where Mr. Haakman is a shareholder and director.

### A D Fisher B Comm, FCA, MAIDC

Experience and expertise	Independent non-executive Director since July 22, 2019. Extensive experience as a corporate advisor and professional director specialising in M&A, strategic advice, business restructurings and capital raisings. Previously he spent 24 years at a global accounting firm where he headed and grew the Melbourne Corporate Finance Division. Alan is a fellow of Institute of the Institute of Chartered Accountants Australia and New Zealand and a member of the Australian Institute of Company Directors.
Other current directorships	Non- Executive Chair of Centrepoin Alliance Limited and IDT Australia Limited Non-Executive Director and Chair of the Audit and Risk Committee of Thorney Technologies Limited and Bionomics Limited
Former directorships in last 3 years	None
Special responsibilities	Chairman of the Audit and Risk Committee
Interests in shares and options	None

# Directors' Report

for the year ended June 30, 2020

## Dr J C McBain AO MB ChB MRCOG FRANZCOG

Experience and expertise	Independent Non-Executive Director since November 26, 2019. Graduated in medicine from Glasgow University, and trained in obstetrics and gynaecology in Scotland. He came to Australia in 1976 to join the group of doctors researching IVF. In 2013 he was made an Officer in the Order of Australia for his services to Reproductive Medicine and Academic Research. President of the Fertility Society of Australia in 1991, and Chairman of Melbourne IVF from 1998 to 2005. He was previously Head of Reproductive Services – ART at The Women's Hospital from 2002 to 2018.
Other current directorships	Director Royal Women's Hospital Foundation - current
Former directorships in last 3 years	None.
Special responsibilities	None.
Interests in shares and options	183,721,717 CDIs held by Thirty Fifth Celebration Pty Ltd where Dr McBain is a shareholder and director.

## MEETINGS OF DIRECTORS

The numbers of meetings of the Group's Board of Directors and each Board committee held during the year ended June 30, 2020 and the numbers of meetings attended by each Director were:

	Full meetings of Directors		Audit and Risk Committee	
	A	B	A	B
M R Spooner	11	11	1	1
G W Pace	11	11	2	2
D M Haakman	11	11	2	2
A D Fisher	11	11	2	2
J C McBain	7	7	N/A	N/A

A = Number of meetings held during the time the Director held office

B = Number of meetings attended

## REMUNERATION REPORT

The Remuneration Report, which has been disclosed voluntarily, describes the Executive and Non-Executive Directors and Key Management Personnel ('KMP') remuneration arrangements for the Group.

The Remuneration Report contains the following sections:

- A: Key management personnel covered in this report
- B: Principles used to determine the nature and amount of remuneration
- C: Details of remuneration
- D: Share-based compensation
- E: Directors and KMP Service Agreements
- F: Other transactions



## A: Key management personnel covered in this report

### Directors

Michael R. Spooner

Dr. Gary W. Pace

Damien M. Haakman

Alan D Fisher (appointed July 22, 2019)

Dr. John C McBain (appointed November 26, 2019)

### Other key management personnel

Name	Position
Peta C. Jurd	Company's Chief Commercial Officer/Company Secretary
Peter J. Curran	Chief Technology Officer

## B: Principles used to determine the nature and amount of remuneration

The whole Board forms the Remuneration Committee. The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component with the flexibility to offer specific short term and long term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain high quality directors and executives to manage the Group.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives is as follows:

- The remuneration policy, setting the terms and conditions for all employees including Executives, was developed by the Board. All executives receive a base salary and superannuation. The Board reviews executive packages annually and determines policy recommendations by reference to executive performance, benchmark salary surveys relating to comparable industry sectors and other listed companies in similar industries.
- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.
- The directors and executives receive a superannuation guarantee contribution required by the government, which for the year ended June 30, 2020 was 9.5% of base salary, and do not receive any other retirement benefits.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews the remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. GST is paid in addition to non-executive directors' fees, where applicable. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

The remuneration policy is tailored to increase the direct positive relationship between shareholders' investment objectives and directors and executive performance. Currently, this is facilitated through the issue of options to the directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

# Directors' Report

for the year ended June 30, 2020

## C: Details of remuneration

Details of remuneration of the directors and key management personnel (KMPs) (as defined in *AASB 124 Related Party Disclosures*) of Simavita Limited are set out in the following table.

The table below shows the 2020 and 2019 figures for remuneration received by the Company's directors and executives:

Name and title of Directors	Period	Short term		Post-employment superannuation \$	Long term		Totals \$
		Salary/fees \$	Other \$		Long service leave \$	Share-based Options \$	
Michael R. Spooner <sup>(1)</sup> <i>Executive Chairman</i>	2020	319,635	—	30,365	—	—	350,000
	2019	273,976	—	26,028	—	—	300,004
Gary W. Pace <i>Non-Executive Director</i>	2020	100,000	—	—	—	—	100,000
	2019	100,000	—	—	—	—	100,000
Damien M. Haakman <sup>(7)</sup> <i>Non-Executive Director</i>	2020	50,000	—	—	—	—	50,000
	2019	27,823	—	—	—	—	27,823
Alan D. Fisher <sup>(5)</sup> <i>Non-Executive Director</i>	2020	43,262	—	4,110	—	—	47,372
	2019	—	—	—	—	—	—
John C. McBain <sup>(6)</sup> <i>Non-Executive Director</i>	2020	27,339	—	2,597	—	—	29,936
	2019	—	—	—	—	—	—
Warren R. Bingham <sup>(2)</sup> <i>Former Non-Executive Director</i>	2020	—	—	—	—	—	—
	2019	20,833	—	—	—	—	20,833
<b>Sub-totals for Directors</b>	<b>2020</b>	<b>540,236</b>	<b>—</b>	<b>37,072</b>	<b>—</b>	<b>—</b>	<b>577,308</b>
	2019	422,632	—	26,028	—	—	448,660
<b>Name and title of Executives</b>							
Peta C. Jurd <i>Chief Commercial Officer &amp; Company Secretary</i>	2020	299,880	—	28,481	—	—	328,361
	2019	296,310	—	28,149	—	21,000	345,459
Peter J. Curran <sup>(3)</sup> <i>Chief Technology Officer</i>	2020	285,849	—	27,156	—	—	313,005
	2019	282,446	10,000	27,782	—	21,000	341,228
Wessel van Dijk <sup>(4)</sup> <i>Former VP Europe Sales and Marketing</i>	2020	—	—	—	—	—	—
	2019	194,315	15,941	9,309	—	—	219,565
<b>Sub-totals for KMPs</b>	<b>2020</b>	<b>585,729</b>	<b>—</b>	<b>55,637</b>	<b>—</b>	<b>—</b>	<b>641,366</b>
	2019	773,071	25,941	65,240	—	42,000	906,252
<b>Total remuneration made to Directors and KMPs</b>	<b>2020</b>	<b>1,125,965</b>	<b>—</b>	<b>92,709</b>	<b>—</b>	<b>—</b>	<b>1,218,674</b>
	2019	1,195,703	25,941	91,268	—	42,000	1,354,912

(1) Mr Spooner became Executive Chairman from Non-Executive Chairman on July 22, 2019, at which time he stood down from the Audit and Risk Committee.

(2) Payments made to Mr. Bingham during the year ended June 30, 2019 totalling \$20,833 comprised fees paid to MedTech International Pty Ltd, a company associated with Mr. Bingham, in respect of services provided to the Group by Mr. Bingham as a Director.

(3) Payments made to Mr. Curran during the year ended June 30, 2019 totalling \$10,000 (as disclosed under the heading "Other") comprised a performance bonus.

- (4) Payments made to Mr. van Dijk during the year ended June 30, 2019 totalling \$15,941 (as disclosed under the heading "Other") comprised a car allowance. All payments made to Mr. van Dijk were made in euros and converted to Australian dollars. Mr. van Dijk subsequently left the Group effective January 31, 2019.
- (5) Mr Fisher was appointed a Non-Executive Director on July 22, 2019.
- (6) Dr McBain was appointed a Non-Executive Director on November 26, 2019.
- (7) Mr Haakman was appointed a Non-Executive Director on December 11, 2018.

#### D: Share-based compensation

Options can be issued to directors and executives as part of their remuneration. The options are not based on performance criteria, but are issued to align the interest of directors, executives and shareholders.

The table below shows the details of 2020 and 2019 share options for the Company's directors and executives:

Name and title of Directors	Period	Opening Balance Number	Granted as remuneration Number	Expired Number	At the date of resignation Number	Closing Balance Number
Michael R. Spooner <i>Executive Chairman</i>	2020	6,279,922	—	—	—	6,279,922
	2019	6,279,922	—	—	—	6,279,922
Gary W. Pace <i>Non-Executive Director</i>	2020	6,279,922	—	—	—	6,279,922
	2019	6,279,922	—	—	—	6,279,922
Alan D. Fisher <i>Non-Executive Director</i>	2020	—	—	—	—	—
	2019	—	—	—	—	—
John C McBain <i>Non-Executive Director</i>	2020	—	—	—	—	—
	2019	—	—	—	—	—
Warren R. Bingham <i>Former Non-Executive Director</i>	2020	—	—	—	—	—
	2019	250,000	—	—	(250,000)	—
<b>Sub-totals for Directors</b>	<b>2020</b>	<b>12,559,844</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>12,559,844</b>
	2019	12,809,844	—	—	(250,000)	12,559,844
<b>Name and title of Executives</b>						
Peta C. Jurd <i>Chief Commercial Officer &amp; Company Secretary</i>	2020	3,500,000	—	—	—	3,500,000
	2019	2,500,000	1,000,000	—	—	3,500,000
Peter J. Curran <i>Chief Technology Officer</i>	2020	4,500,000	—	—	—	4,500,000
	2019	4,150,000	1,000,000	(650,000)	—	4,500,000
Wessel van Dijk <i>Former VP Europe Sales and Marketing</i>	2020	—	—	—	—	—
	2019	2,500,000	—	—	(2,500,000)	—
<b>Sub-totals for KMPs</b>	<b>2020</b>	<b>8,000,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>8,000,000</b>
	2019	9,150,000	2,000,000	(650,000)	(2,500,000)	8,000,000
<b>Total Directors and KMPs</b>	<b>2020</b>	<b>20,559,844</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>20,559,844</b>
	2019	21,959,844	2,000,000	(650,000)	(2,750,000)	20,559,844

The numbers of options outstanding issued to company's directors and executives including the respective dates of expiry and exercise prices, are tabled below. The options are not listed on the ASX.

# Directors' Report

for the year ended June 30, 2020

Number	Exercise price	Grant date	Expiry date	Fair value per option Black Scholes
6,279,922	\$0.05	July 14, 2016	June 23, 2023	\$0.056
6,279,922	\$0.05	July 14, 2016	June 23, 2023	\$0.056
3,000,000	\$0.06	October 13, 2016	October 13, 2023	\$0.034
2,000,000	\$0.05	June 29, 2017	June 28, 2024	\$0.019
1,000,000	\$0.05	February 15, 2018	January 31, 2025	\$0.027
2,000,000	\$0.035	November 20, 2018	November 19, 2025	\$0.021

## E: Directors and KMP Service Agreements

Director Michael R. Spooner is employed as an Executive Chairman on the following key terms:

- a. Directors fee of A\$350,000 per annum

Director Gary W. Pace is employed as a Non-Executive Director on the following key terms:

- a. Director's fee of A\$100,000 per annum

Director Damien M. Haakman is employed as a Non-Executive Director on the following key terms:

- a. Director's fee of A\$50,000 per annum

Director Alan D. Fisher is employed as a Non-Executive Director on the following key terms:

- a. Director's fee of A\$50,000 per annum

Director John C. McBain is employed as a Non-Executive Director on the following key terms:

- a. Director's fee of A\$50,000 per annum

Executive Peta C. Jurd is employed as a Chief Commercial Officer and Company Secretary on the following key terms:

- a. Base salary of A\$299,892 per annum plus superannuation
- b. 6-month notice period

Executive Peter J. Curran is employed as a Chief Technology Officer on the following key terms:

- a. Base salary of A\$285,849 per annum plus superannuation
- b. 6-month notice period

## F: Other Transactions

Mr. Michael Spooner, is a director of Simavita Limited, invested \$50,000 in 2019 Convertible Notes. The terms and conditions of the 2019 Convertible Note are detailed in Note 17.

Dr. Gary Pace, is a director of Simavita Limited, invested \$50,000 in 2019 Convertible Notes. The terms and conditions of the 2019 Convertible Note are detailed in Note 17.

Dr. John McBain, is a director of Simavita Limited, invested \$750,000 in 2019 Convertible Notes. The terms and conditions of the 2019 Convertible Note are detailed in Note 17.

## Amounts recognised as liabilities:

At the end of the reporting period the following aggregate amounts were recognised in relation to the above transactions:

	June 30, 2020 \$	June 30, 2019 \$
Current liabilities	850,000	850,000

## SIMAVITA OVERVIEW

### Strategic Business Review

During the year the Group completed the next generation of the Smartz™ platform technology and achieved the following milestones:

- Advanced electronics and applications. Smartz™ now delivers a significantly expanded range of applications, flexible graphical user interface and powerful reporting tools from Cloud Based and highly secured data. Smartz™ now seamlessly delivers at home and in complex institutional settings.
- Manufactured adult and infant Smartz™ enabled diapers across multiple geographies and multiple product types and sizes. Full commercial manufacturing from a standing start can now occur within days.
- Secured logistics supply chains in the event of further disruptions.
- Significantly enhanced regulatory documentation, systems security and data confidentiality.
- Apps are now downloadable from multiple App Stores.
- The Company has materially completed planning and international training necessary to roll out product to a number of countries. However, due to COVID-19 requirements to completely lock down aged care facilities, this key target will remain in abeyance until the international community reopens.

Smartz™ is available for adult and infant markets. It is, we believe, an industry disruptive, platform technology. The technology will be licensed to major manufacturers for sale to distributors, retailers and aged care institutions.

The Group can now deliver sensors and a portfolio of Apps that meet a growing demand for change in major markets. The operation of the Smartz™ platform represents a clear unmet market need to provide low cost product to a rapidly growing US\$53bn diaper market for infants and a US\$11bn market for adult incontinence pads. It is our view that this market has failed to materially change in over 25 years prior to our platform development.

Simavita has been granted patented rights to this core technology.

The company obtained CE Mark registration and FCC approval in November 2019 and is currently upgrading those registrations in light of significant design enhancements, including external regulatory testing, as a medical device in Europe, USA, Canada and Australia.

The Group's continued focus on cost management has resulted in operating costs increasing slightly year-on-year despite increased investment in R&D.

The Group's sales strategy is to license our Smartz™ platform technology to major manufacturers whilst continuing to focus on government payers who support the disabled and aged. This shift in strategy has seen the Group largely eliminate those activities associated with direct sales. Going

forward the Group will not hold inventory. The future strategy is based upon sustainable, high margin license fees with costs remaining proportionally flat. This shift in strategy has allowed reallocation of resources to focus on partnering our products. As previously foreshadowed, for the current period this has impacted sales receipts.

In summary, the Company is funded to meet its immediate needs and has been ready to roll out its technology to major international markets since early 2020. The COVID-19 pandemic, however, has materially impacted a number of the Company's activities arising from:

- The closure of the international aged care market due to the extreme risk of mortality
- Manufacturing partners overwhelmed by market demand and changes to manufacturing.

During this slow-down period, the Company has taken the opportunity to focus on technology enhancements and in materially strengthening ties with partner organisations.

## FINANCIAL RESULTS

### Statement of loss after tax

The Group reported a loss after tax for the year ended June 30, 2020 of \$4,066,402 which was \$132,186 or 3% more than the loss incurred during the previous year ended June 30, 2019 of \$3,934,216. The increased loss in the current year is principally attributable to:

- Total operating expenses of \$5,075,105 (excluding share-based expense) had an increase of \$379,468 or 8% compared to \$4,695,637 in the previous corresponding year. During the year the Company incurred \$24,000 in share-based payments expenses compared to \$56,700 in the previous year. Accordingly, overall total expenses increased by \$346,768 or 7% on a corresponding period basis.
- Total income (including other income) for the reporting period was \$1,052,700 an increase of 16% compared to \$905,090 in the previous corresponding period. Reductions in sales revenue reflect the elimination of direct sales in favour of focused sales through partnerships with companies with significant and synergistic sales. Sales have fallen from \$184,576 for the year ending June 30, 2019 to \$43,469 for the year to June 30, 2020. R&D tax incentive income was \$234,131 (35%) higher than the previous year.
- Total comprehensive loss for the year was \$4,066,679 an increase of \$134,324 or 3% compared to \$3,932,355 in the previous corresponding year.

### Cash and cash equivalents

The Group's cash and cash equivalents at the end of the year ended June 30, 2020 increased by \$1,373,382 or 199% as compared to \$689,462 at the end of the previous financial year.

# Directors' Report

for the year ended June 30, 2020

## CHANGES TO CAPITAL STRUCTURE

- On February 26, 2020 the Group issued 94,750,000 of CDIs at a price of \$0.02 per share.
- On April 8, 2020 the Group issued 51,250,000 of CDIs at a price of \$0.02 per share.
- On July 18, 2019 the Group granted 2,000,000 unlisted options at a price of \$0.05 per share to the Group's consultant.
- During the year ended June 30, 2020 a total of 575,000 unlisted options issued to current and former employees lapsed.

## LIQUIDITY

The Group has incurred losses before tax of \$4,066,402 (2019: \$3,934,216) for year ended June 30, 2020 and net cash flows used in operations during the same period of \$3,539,952 (2019: \$3,506,527). The Group's cash reserves as at June 30, 2020 were \$2,062,844 (2019: \$689,462). The Group was in a net current liabilities position as at June 30, 2020 of \$3,495,370 (2019: net current liabilities position of \$2,319,190). The net liabilities of the group at 30 June 2020 were \$3,291,494 (2019: \$2,154,786).

During the year and through to the date of issuance of these financial statements, the Group was successful in:

- A placement for \$2,920,000 was raised in February 2020 and approved by the shareholders at the Special General Meeting on April 7, 2020.
- The Group has completed the next generation of the Smartz™ platform technology, and has continued its commercialization efforts by engaging in meaningful partnership discussions with several distributors. These discussions have included collaboration on the further development of Smartz and potential applications in the market.
- Since obtaining CE Mark registration and FCC approval in November 2019, the Group has continued to upgrade those registrations in light of significant design enhancements, including external regulatory testing, as a medical device in Europe, USA, Canada and Australia.
- In March and May 2020, amendments were made to the 2018 Convertible Notes Deeds with a face value of \$1,400,000 to extend the maturity date to 21 December 2020. Subsequent to 30 June 2020, a holder of \$1,000,000 of the 2018 Convertible Note Deeds provided written confirmation to either convert to CDIs by 21 December 2020, or to defer redemption until 30 June 2021.
- On June 24, 2019 the Company obtained shareholder approval to convert 2019 Convertible Notes with a face value of \$3,140,000 into CHERS Depositary Interests (CDI's). This was subsequently completed in July 2020.
- In October 2020, the Company received written commitment from two investors seeking to invest a total of \$650,000. Pricing for the investment is subject to ongoing negotiations.

Despite the above, the continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon:

- successfully completing the \$650,000 subscription by November 30, 2020;
- subject to shareholder approval and/ or support, to raise additional funds as may be necessary to enable the Company to fund its on-going operations and execute potential commercialisation agreements and/ or a reorganisation. Such additional funding requirements may be between \$2 million and \$3 million; and
- on an ongoing basis, completing a substantive agreement with one or more commercialisation partners. Such agreement should be achieved 2nd half of FY2021 and will be aimed at supporting Smartz and a meaningful increase to the Company's revenues into 2021 and beyond.

Due to the uncertainty surrounding the above matters, there is material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and liabilities in the normal course of business. However, at the date of this report the Directors believe that the Group will be successful in the above matters due to:

- obtaining signed subscription agreements amounting to \$650,000 from new and existing investors,
- several ongoing discussions with other new and existing investors for further investment into the Company; and
- the progress of recent discussions and negotiations with potential commercialisation partners.

Accordingly, they have prepared the financial report on a going concern basis.

The Group's auditor included an emphasis matter paragraph in the Audit Report for the Financial Statements for the year ended June 30, 2020 relating to the Group's ability to continue as a going concern. (refer Note 2(a) Going Concern).

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

## INSURANCE OF OFFICERS AND INDEMNITIES

During the financial year, the Group paid a premium of \$70,000 to insure the directors and the officers of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

## NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

There has been \$7,140 paid to the auditor for advice relating Research and Development Tax Incentive during the financial year for non-audit services, compared to FY19, when fees totalling \$16,000 were paid to the auditor for services provided in relation to Research and Development Tax Incentive.

There has also been \$89,091 paid to the auditor for specialist taxation advice related to the restructuring of the Group.

## 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 Group 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 Group's future earnings, financial condition, capital requirements, and such other factors as the Board of Directors may deem relevant at that time.

## SIGNIFICANT EVENTS DURING THE YEAR

In early 2020 there was an outbreak of Coronavirus Disease 2019 (COVID-19), deemed a pandemic by the WorldHealth Organisation. There have been unprecedented measures put in place by the Australian government, as well as governments across the globe, to contain COVID-19 which have had a significant impact on the economy.

The Group has assessed the impact of COVID-19 and its impact on both the business and the financial report, and the financial report reflects these impacts including appropriate measurement, presentation and disclosure.

## SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

On July 31, 2020 the 2019 Convertible Noteholders converted the principal amounts of the Convertible Notes. As a result of this conversion 590,087,778 CDIs were issued.

In October 2020 the Company received written commitment from two investors seeking to invest a total of \$650,000. Pricing for the investment is subject to ongoing negotiation.

## ROUNDING OF AMOUNTS

The Group is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest dollar in accordance with the instrument.

## ENVIRONMENTAL REGULATIONS

The Group is not aware of any breaches of any environmental regulation as at year end June 30, 2020.

## PROCEEDINGS ON BEHALF OF THE GROUP

No proceedings have been brought or intervened in or on behalf of the Group with leave to the Court.

## DIRECTORS' DECLARATION

The financial statements were authorized for issue by the Directors on October 7, 2020.

The Directors have the power to amend and reissue the financial statements.



**Michael R Spooner**  
Executive Chairman



**Alan D Fisher**  
Director

# Corporate Governance Statement

for the year ended June 30, 2020

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The Group and the Board are committed to achieving and demonstrating the highest standards of corporate governance.

The Group has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2020 corporate governance statement is dated as at August 28, 2020 and reflects the corporate governance practices in place throughout the 2020 financial year.

A description of the Group's current corporate governance practice is set out in the Group's corporate governance statement which can be viewed at [http://www.simavita.com/docs/Corporate\\_Governance\\_Statement\\_August\\_2020.pdf](http://www.simavita.com/docs/Corporate_Governance_Statement_August_2020.pdf)



# Consolidated Statement of Comprehensive Loss

for the year ended June 30, 2020

	Notes	Consolidated	
		June 30, 2020 \$	June 30, 2019 \$
Revenue	4	43,469	184,576
Cost of sales		(19,997)	(86,969)
Gross profit		23,472	97,607
Other income	5	1,009,231	720,514
Expenses			
Finance costs		(518,448)	(224,663)
General and administration		(2,292,565)	(1,870,821)
Occupancy costs		(30,013)	(143,219)
Research and development		(1,671,041)	(1,109,442)
Sales, marketing and distribution		(563,038)	(1,347,492)
Share-based payments expense		(24,000)	(56,700)
Loss before income tax		(4,066,402)	(3,934,216)
Income tax	8	–	–
Loss for the year		(4,066,402)	(3,934,216)
Other comprehensive income			
Items that may be subsequently reclassified to profit/ (loss)			
Translation of foreign operation		(277)	1,861
Total comprehensive loss for the year		(4,066,679)	(3,932,355)
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Group:			
Basic loss per common share	7	(0.01)	(0.01)
Diluted loss per common share	7	(0.01)	(0.01)
Earnings per share for loss attributable to the ordinary equity holders of the Group:			
Basic loss per common share	7	(0.01)	(0.01)
Diluted loss per common share	7	(0.01)	(0.01)

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

# Consolidated Statement of Financial Position

as at June 30, 2020

	Notes	Consolidated	
		June 30, 2020 \$	June 30, 2019 \$
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	10	2,062,844	689,462
Trade and other receivables	11	924,784	695,934
Inventories	12	–	–
Other assets		205,397	140,300
Total Current Assets		3,193,025	1,525,696
Non-Current Assets			
Property, plant and equipment	13	199,480	149,869
Intangible assets	14	19,861	23,113
Total Non-Current assets		219,341	172,982
Total Assets		3,412,366	1,698,678
<b>Liabilities and Shareholders' Equity</b>			
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	15	600,294	398,609
Borrowings	17	5,796,977	3,248,934
Provisions	16	291,124	197,343
Total Current Liabilities		6,688,395	3,844,886
Non-Current Liabilities			
Provisions	16	15,465	8,578
Total Non-Current Liabilities		15,465	8,578
Total Liabilities		6,703,860	3,853,464
<b>Shareholders' Equity</b>			
Share capital	18	72,635,386	69,729,681
Reserves	19	1,512,005	1,502,308
Accumulated losses	20	(77,438,885)	(73,386,775)
Total Shareholders' Equity		(3,291,494)	(2,154,786)
Total Liabilities and Shareholders' Equity		3,412,366	1,698,678

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

# Consolidated Statement of Changes in Equity

for the year ended June 30, 2020

	Share Capital \$	Reserves \$	Accumulated Losses \$	Totals \$
<b>Balance at July 1, 2018</b>	66,243,056	1,811,130	(69,819,942)	(1,765,756)
Net Loss for the year	–	–	(3,934,216)	(3,934,216)
Other comprehensive income, net of tax	–	1,861	–	1,861
Total comprehensive loss for the year	–	1,861	(3,934,216)	(3,932,355)
<b>Transactions with owners</b>				
Issue of common shares for cash	2,155,000	–	–	2,155,000
Issue of common shares from conversion of convertible notes	1,441,808	–	–	1,441,808
Movements in share-based payments reserve	–	56,700	–	56,700
Reversal of lapsed options vested not exercised	–	(367,383)	367,383	–
Equity transaction costs	(110,183)	–	–	(110,183)
Total transactions with owners	3,486,625	(310,683)	367,383	3,543,325
<b>Balance at June 30, 2019</b>	69,729,681	1,502,308	(73,386,775)	(2,154,786)
<b>Balance at July 1, 2019</b>	69,729,681	1,502,308	(73,386,775)	(2,154,786)
Net Loss for the year	–	–	(4,066,402)	(4,066,402)
Other comprehensive income, net of tax	–	(277)	–	(277)
Total comprehensive loss for the year	–	(277)	(4,066,402)	(4,066,679)
<b>Transactions with owners</b>				
Issue of common shares for cash	2,920,000	–	–	2,920,000
Issue of common shares from conversion of convertible notes	–	–	–	–
Movement in share-based payments reserve	–	24,000	–	24,000
Adjustment for adoption of AASB 16 - Leases	–	–	266	266
Reversal of lapsed options vested not exercised	–	(14,026)	14,026	–
Equity transaction costs	(14,295)	–	–	(14,295)
Total transactions with owners	2,905,705	9,974	14,292	2,929,971
<b>Balance at June 30, 2020</b>	<b>72,635,386</b>	<b>1,512,005</b>	<b>(77,438,885)</b>	<b>(3,291,494)</b>

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

# Consolidated Statement of Cash Flows

for the year ended June 30, 2020

	Notes	Consolidated	
		June 30, 2020 \$	June 30, 2019 \$
<b>Cash flows from /(used in) operating activities</b>			
Loss for the year		(4,066,402)	(3,934,216)
<b>Non-cash items</b>			
Depreciation and amortization		163,083	18,637
Share-based payments expenses		24,000	56,700
Unrealized foreign exchange movements		(277)	3,972
Accrued interest on borrowings and convertible notes		461,641	211,721
<b>Changes in working capital</b>			
(Increase)/decrease in receivables		(228,850)	97,000
(Increase)/decrease in inventories		–	207,008
(Increase)/decrease in prepayments		(65,097)	27,575
Increase/(decrease) in payables		201,685	(177,401)
Increase/(decrease) in provisions		(29,735)	(17,523)
<b>Net cash flows from/(used in) operating activities</b>		<b>(3,539,952)</b>	<b>(3,506,527)</b>
<b>Cash flows from/(used in) investing activities</b>			
Purchases of plant and equipment		(78,773)	(154,181)
Purchases of intangible assets		–	–
Proceeds from the sale of plant and equipment		–	–
<b>Net cash flows from/(used in) investing activities</b>		<b>(78,773)</b>	<b>(154,181)</b>
<b>Cash flows from/(used in) financing activities</b>			
Proceeds from the issue of shares by the Company		2,920,000	2,155,000
Proceeds from borrowings		590,156	253,754
Proceeds from the issue of convertible notes		1,750,000	1,390,000
Repayment of borrowings		(253,754)	(708,871)
Equity transaction costs		(14,295)	(110,183)
<b>Net cash flows from/(used in) financing activities</b>		<b>4,992,107</b>	<b>2,979,700</b>
Net increase/(decrease) in cash and cash equivalents held		<b>1,373,382</b>	<b>(681,008)</b>
<b>Cash and cash equivalents at the beginning of year</b>		<b>689,462</b>	<b>1,361,484</b>
Net foreign exchange differences on cash and cash equivalents		–	8,986
<b>Cash and cash equivalents at the end of year</b>	10	<b>2,062,844</b>	<b>689,462</b>

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

# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 1. NATURE AND CONTINUANCE OF OPERATIONS

Simavita Limited (the "Group") was incorporated under the laws of the Yukon Territory on May 28, 1968 and continued under the laws of the Province of British Columbia, Canada on December 3, 2013.

Simavita's patented technologies provide sensors for all segments of the USD 64 billion diaper market from extremely low cost alert sensors for everyday use, particularly focused upon the adult and infant markets to the assessment of incontinence needs for the aged and disabled. The alert technology, Smartz™, is addressing the demand for change in the global diaper market.

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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2a Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board. The Group is a for-profit entity for the purpose of preparing the financial statements.

The financial statements comprise the consolidated financial statements of the consolidated entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS).

### Historical cost convention

The financial statements have been prepared on a historical cost bases, except for the following:

- certain financial assets and liabilities (including derivative instruments) - measured at fair value.

### New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing July 1, 2019.

- AASB 16: *Leases*

### Going concern

The Group has incurred losses before tax of \$4,066,402 (2019: \$3,934,216) for year ended June 30, 2020 and net cash flows used in operations during the same period of \$3,539,952 (2019: \$3,506,527). The Group's cash reserves as at June 30, 2020 were \$2,062,844 (2019: \$689,462). The Group was in a net current liabilities position as at June 30, 2020 of \$3,495,370 (2019: net current liabilities position of \$2,319,190). The net liabilities of the group at 30 June 2020 were \$3,291,494 (2019: \$ 2,154,786).

During the year and through to the date of issuance of these financial statements, the Group was successful in:

- A placement for \$2,920,000 was raised in February 2020 and approved by the shareholders at the Special General Meeting on April 7, 2020.
- The Group has completed the next generation of the Smartz™ platform technology, and has continued its commercialization efforts by engaging in meaningful partnership discussions with several distributors. These discussions have included collaboration on the further development of Smartz and potential applications in the market.
- Since obtaining CE Mark registration and FCC approval in November 2019, the Group has continued to upgrade those registrations in light of significant design enhancements, including external regulatory testing, as a medical device in Europe, USA, Canada and Australia.
- In March and May 2020, amendments were made to the 2018 Convertible Notes Deeds with a face value of \$1,400,000 to extend the maturity date to 21 December 2020. Subsequent to 30 June 2020, a holder of \$1,000,000 of the 2018 Convertible Note Deeds provided written confirmation to either convert to CDIs by 21 December 2020, or to defer redemption until 30 June 2021.
- On June 24, 2019 the Company obtained shareholder approval to convert 2019 Convertible Notes with a face value of \$3,140,000 into CHES Depositary Interests (CDI's). This was subsequently completed in July 2020.
- In October 2020, the Company received written commitment from two investors seeking to invest a total of \$650,000. Pricing for the investment is subject to ongoing negotiations.

Despite the above, the continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon:

- successfully completing the \$650,000 subscription by November 30, 2020;
- subject to shareholder approval and/ or support, to raise additional funds as may be necessary to enable the Company to fund its on-going operations and execute potential commercialisation agreements and/ or a reorganisation. Such additional funding requirements may be between \$2 million and \$3 million; and
- on an ongoing basis, completing a substantive agreement with one or more commercialisation partners. Such agreement should be achieved 2nd half of FY2021 and will be aimed at supporting Smartz and a meaningful increase to the Company's revenues into 2021 and beyond.

# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2a Basis of preparation (continued)

Due to the uncertainty surrounding the above matters, there is material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and liabilities in the normal course of business. However, at the date of this report the Directors believe that the Group will be successful in the above matters due to:

- obtaining signed subscription agreements amounting to \$650,000 from new and existing investors,
- several ongoing discussions with other new and existing investors for further investment into the Company; and
- the progress of recent discussions and negotiations with potential commercialisation partners.

Accordingly, they have prepared the financial report on a going concern basis.

The Group's auditor included an emphasis matter paragraph in the Audit Report for the Financial Statements for the year ended June 30, 2020 relating to the Group's ability to continue as a going concern.

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

### 2b 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. Intracompany balances and transactions, including any unrealised income and expenses arising from any intracompany transactions, are eliminated in preparing the consolidated financial statements. The functional and presentation currency of the Group is the Australian dollar.

### 2c Changes in accounting policies

The following standards and amendments to standards and interpretations are effective for annual periods following July 1, 2019 and have been applied in preparing these consolidated interim financial statements:

#### AASB 16 Leases – Summary of new accounting policies

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option. The lease liability is presented as a separate line in Note 15.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2c Changes in accounting policies (continued)

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy (as outlined in the financial report for the annual reporting period).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The group has adopted AASB 16 retrospectively from July 1, 2019, but has not restated comparatives for the reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on July 1, 2019.

On adoption of AASB 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of July 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on July 1, 2019 was 5.0%.

#### Measurement of lease liabilities

Operating lease liabilities disclosed as at June 30, 2019	120,005
Plus additional items required upon adoption of AASB 16	15,507
Discounted using the lessee's incremental borrowing rate at the date of initial application	(5,102)
Re-stated lease liability as at July 1, 2019 per AASB 16	130,410
Of which is:	
Current	85,874
Non-current	44,536
	130,410

### 2d Revenue

Revenue is recognised at a point in time, or over time, based on the principles of AASB 15. Management has used sufficient and appropriate tools as guided by the standard, enabling the Group to reach consistent conclusions in recognising revenue. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### Sale of goods

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

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



# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2d Revenue (continued)

#### Rendering of services

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

- Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold.

#### Interest revenue

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

### 2e Share-based payments

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

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

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

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

The Group's policy is to treat the share options of terminated employees as forfeitures, after 90 days in accordance with the terms of the Group Stock Option Plan.

### 2f Income tax

#### Current tax

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

#### Deferred tax

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

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

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

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

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

#### Current and deferred tax for the period

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2f Income tax (continued)

#### Tax consolidation

Simavita Holdings Limited (the "Head Entity") and its wholly owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. As at June 30, 2020 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.

### 2g Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollar (\$), which is the Group's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investments hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognized in other comprehensive income.

### 2h Segment reporting

#### Identification of reportable segments

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

The Group has identified two reportable geographic segments, being Australia and Rest of the World, 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 Board.

#### 2i Cash and cash equivalents

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

#### 2j Trade and other receivables

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

# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2k Inventories

Inventories principally comprise finished goods and raw materials and are valued at the lower of cost and net realizable value. Inventory costs are recognized as the purchase price of items from suppliers plus freight inwards and any applicable landing charges. Costs are assigned on the basis of weighted average cost. The Group has a policy of regularly reviewing the value of inventory on hand. At the end of the year, the Group has provided the full amount of \$517,603 the inventory to cover the cost of inventory which could be considered slow moving.

### 2l Property, plant and equipment

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

Office equipment – 2.5 years  
Equipment under lease – 3 years  
Testing equipment – 3.33 years  
Furniture and fittings – 5 years

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

### 2m Intangible assets

#### Patents

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

#### Research and development costs

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

### 2n Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value-in-use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to operations are recognized in those expense categories consistent with the function of the impaired asset unless the asset is carried at its revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

### 2o Trade and other payables

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

Trade payables and other payables generally have terms of between 30 and 60 days.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2p Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

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

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

### 2q Provisions

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

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

### 2r Contributed equity

Issued and paid up capital is recognized at the fair value of the consideration received by the Group.

Transaction costs arising on the issue of common shares are recognized directly in equity as a deduction, net of tax, of the proceeds received.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 Group and that are believed to be reasonable under the circumstances.

### 3a 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.

### 3b Critical judgments 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. 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.

# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 4. REVENUE FROM CONTINUING OPERATIONS

	Consolidated	
	June 30, 2020 \$	June 30, 2019 \$
Sales revenue:		
– Sale of goods	–	43,177
– Services	43,469	141,399
<b>Total revenue</b>	<b>43,469</b>	<b>184,576</b>

## 5. OTHER INCOME

– Interest revenue	1,820	4,392
– Sale of mining rights	–	51,172
– JobKeeper assistance	54,000	–
– GST refund received	54,330	–
– R&D tax incentive	899,081	664,950
<b>Total other income</b>	<b>1,009,231</b>	<b>720,514</b>

## 6. EXPENSES

Amortization of intangible assets	3,180	6,010
Depreciation of fixed assets	159,903	12,627
Total depreciation and amortization	163,083	18,637
Employee expenses	1,512,230	2,139,182
Employee benefit expenses	185,415	153,857
R&D expenses (excluding employee benefits)	715,142	360,898
Finance costs	518,448	224,663

Note: Employee expenses represent all salaries, bonuses, redundancies 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

Loss for the year attributable to the owners of Simavita Limited	(4,066,402)	(3,934,216)
Weighted average number of shares used to calculate loss per share	460,618,902	394,554,078

Note: None of the 23,869,844 (2019: 22,444,844) options over the Group'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.

	Cents	Cents
<b>(a) Basic earnings per share</b>		
From continuing operations attributable to the ordinary equity holders of the Group	(0.01)	(0.01)
Total basic losses per share attributable to the ordinary equity holders of the Group	(0.01)	(0.01)
<b>(b) Diluted earnings per share</b>		
From continuing operations attributable to the ordinary equity holders of the Group	(0.01)	(0.01)
Total diluted losses per share attributable to the ordinary equity holders of the Group	(0.01)	(0.01)

## 8. INCOME TAX

	Consolidated	
	June 30, 2020 \$	June 30, 2019 \$
<b>Reconciliation of income tax expense to prima facie tax expense</b>		
Loss before income tax expense	(4,066,402)	(3,934,216)
Tax at the Australian tax rate of 27.5%	(1,118,261)	(1,081,909)
<b>Tax effect of adjustments relating to non-temporary differences</b>		
Research and development income	(242,113)	(182,861)
Research and development expenses	556,581	420,371
Share-based payments expense	6,600	15,593
Foreign exchange differences	2,903	–
Prior period adjustment	8,976	–
Other	–	131,979
<b>Tax effect of adjustments relating to temporary differences</b>		
Deductible equity transaction costs	(11,378)	(50,888)
Net movements in provisions and payables	15,999	(15,923)
Unrealized foreign exchange gain	(1,229)	(2,801)
	(781,922)	(766,439)
Tax rate differential due to other tax jurisdictions	1,612	(10,371)
<b>Tax losses not recognized</b>	<b>(780,310)</b>	<b>(776,811)</b>
<b>Deferred tax assets/(liabilities)</b>		
Equity transaction costs	102,747	99,900
Provisions and payables	223,880	209,243
Accrued expenses	6,906	6,174
Patents	145,032	150,466
Deferred income	–	–
Other	(1,143)	85
	477,422	465,868
Deferred tax assets on temporary differences not brought to account	(477,422)	(465,868)
<b>Total net deferred tax assets</b>	<b>–</b>	<b>–</b>
<b>Tax losses (tax effected)</b>		
Australia	13,400,944	12,897,483
Canada	1,594,368	1,349,747
United States of America	1,237,224	1,204,998
<b>Total deferred tax assets on tax losses not recognized</b>	<b>16,232,536</b>	<b>15,452,228</b>

# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 8. INCOME TAX (CONTINUED)

Subject to the Group continuing to meet the relevant statutory tests, tax losses are available for offset against future taxable income. As at balance date, there are unrecognized tax losses with a benefit of approximately \$16,232,536 (2019: \$15,452,228) that have not been recognized as a deferred tax asset to the Group. These unrecognized deferred tax assets will only be obtained if:

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

### Tax consolidation legislation

Simavita Holdings Limited (the "Head Entity") and its wholly owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. As at June 30, 2020, 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.

## 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 Group 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 Group's future earnings, financial condition, capital requirements, and such other factors as the Board of Directors may deem relevant at that time.

## 10. CASH AND CASH EQUIVALENTS

	Consolidated	
	June 30, 2020 \$	June 30, 2019 \$
Cash at bank and on-hand	2,062,844	689,462
Total cash and cash equivalents	2,062,844	689,462

## 11. TRADE AND OTHER RECEIVABLES

Trade receivables	2,594	950
Less Provision for doubtful debts	—	—
GST receivable	41,780	30,034
R&D tax concession receivable	880,410	664,950
Total trade and other receivables	924,784	695,934

Note: All trade and other receivables for the Group include amounts in:

- Australian dollars of AUD \$924,784 (June 2019: \$700,575)
- United States dollars, equivalent to AUD NIL (June 2019: (\$4,641))

## 12. INVENTORIES

	Consolidated	
	June 30, 2020 \$	June 30, 2019 \$
Finished goods and raw materials	517,603	520,698
Less Provision for obsolescence	(517,603)	(520,698)
Total inventories	–	–

Note: In line with the Company's strategy which outlines its focus on its new generation product Smartz™, the Company has decided to provide for the full carrying cost of its legacy product AssessPLUS™ and SIM™.

## 13. PROPERTY, PLANT AND EQUIPMENT

Office equipment at cost	352,473	338,306
Less: accumulated depreciation	(336,071)	(333,844)
Net office equipment	16,402	4,462
Furniture and fittings at cost	85,088	84,679
Less: accumulated depreciation	(84,754)	(84,165)
Net furniture and fittings	334	514
Leasehold Improvements	80,117	80,117
Less: accumulated depreciation	(80,117)	(80,050)
Net leasehold improvements	–	67
Testing Equipment	259,537	197,037
Less: accumulated depreciation	(120,351)	(52,211)
Net testing equipment	139,186	144,826
Rental Assets at cost	–	59,737
Less: accumulated depreciation	–	(59,737)
Net rental assets	–	–
Right of Use aAssets	137,935	–
Less: accumulated depreciation	(94,377)	–
Net right of use assets	43,558	–
<b>Total property, plant &amp; equipment</b>	<b>199,480</b>	<b>149,869</b>

## 14. INTANGIBLE ASSETS

Patents at cost	63,714	63,714
Less: accumulated amortisation	(43,881)	(40,696)
Net patents	19,833	23,018
Software at cost	138,253	138,253
Less: accumulated amortisation	(138,225)	(138,158)
Net software	28	95
<b>Total intangible assets</b>	<b>19,861</b>	<b>23,113</b>

# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 15. TRADE AND OTHER PAYABLES

	Consolidated	
	June 30, 2020 \$	June 30, 2019 \$
Trade payables	370,757	107,016
Accrued expenses	112,335	152,939
Payroll-related payables	78,638	73,051
Other payables	38,564	65,603
<b>Total trade and other payables</b>	<b>600,294</b>	<b>398,609</b>

Note: All trade and other payables for the Group include amounts in:

- Australian dollars of AUD \$455,300 (June 2019: \$392,975)
- United States dollars, equivalent to AUD \$122,231 (June 2019: NIL)
- Canadian dollars, equivalent to AUD \$14,346 (June 2019: \$2,607)
- British pounds, equivalent to AUD \$8,417 (June 2019: NIL)

The break-down of the above foreign exchange amounts have been converted to Australian dollars.

## 16. PROVISIONS

	Consolidated	
	June 30, 2020 \$	June 30, 2019 \$
<b>Current Provisions</b>		
Annual leave	159,247	123,564
Long service leave	87,341	73,779
ROU Lease liability	44,536	–
<b>Total current provisions</b>	<b>291,124</b>	<b>197,343</b>
<b>Reconciliation of annual leave provision</b>		
Balance at the beginning of the year	123,564	143,370
Add: obligation accrued the year	113,477	137,920
Less: balance utilized during the year	(77,794)	(157,726)
<b>Balance at the end of the year</b>	<b>159,247</b>	<b>123,564</b>
<b>Non-Current Provisions</b>		
Long service leave	15,465	8,578
<b>Total non-current provisions</b>	<b>15,465</b>	<b>8,578</b>
<b>Reconciliation of long service leave provision</b>		
Balance at the beginning of the year	82,357	80,074
Add: obligation accrued the year	26,857	27,037
Less: balance utilized during the year	(6,408)	(24,754)
<b>Balance at the end of the year</b>	<b>102,806</b>	<b>82,357</b>



## 17. BORROWINGS

		Consolidated	
		June 30, 2020	June 30, 2019
		\$	\$
Third party loan - R&D tax incentive advance		665,763	285,882
Convertible notes issue - 2018	17 (a)	1,703,945	1,563,562
Convertible notes issue - 2019	17 (b)	3,427,269	1,399,490
<b>Total borrowings</b>		<b>5,796,977</b>	<b>3,248,934</b>

(a) In April 2018, the company entered into unsecured note deed pursuant to which it has issued unsecured notes for an aggregate principal amount of AUD\$1,400,000.

At the company's Special General Meeting on April 13, 2018, the Company obtained shareholder approval to convert the Debt Notes into CDIs (a form of 'equity security' for the purposes of the ASX Listing Rules). The conditions of the resultant AUD\$1,400,000 Convertible Notes are prescribed by the Convertible Note Terms contained in the unsecured debt notes entered into between the Company and each Noteholder on identical terms.

There has been no prior formal valuation of the securities issued in the Financing as there has not been any necessity to do so. The Financing has been reviewed and unanimously approved by the independent members of the Board of Directors.

The company has accrued \$303,945 interest payable on Convertible Notes as at June 30, 2020.

The key terms from the 2018 Convertible Note Deed are summarised as follows:

Term	Description
Use of Funds:	Company's working capital purposes.
Interest:	Coupon rate of 10% per annum, with all interest payable upon the Maturity Date.
Maturity Date:	March 31, 2019, at which time the Noteholder can elect the Notes be redeemed or convert into CDIs following shareholder approval which was obtained at the Special General Meeting on April 13, 2018. The principal amount plus accrued interest is repayable earlier on the occurrence of an event of default.
Security and priority:	The Notes are unsecured. The money owing to each Noteholder by the Company shall rank pari passu and pro rata between each Noteholder without any preference or priority between them.
Requisite Approvals	All Requisite Approvals have been obtained under the applicable laws and regulations and the Convertible Notes are now convertible into CDIs upon Conversion.
Convertible Notes	As all Requisite Approvals have been obtained, the Convertible Notes will be either redeemed for cash or converted into CDIs on the earlier of the next capital raising or March 31, 2019.
Conversion	The Convertible Notes automatically convert into CDIs (shareholder approval having been obtained) into that number of CDIs calculated by dividing the sum of the principal amount paid under the Convertible Notes plus accrued interest; by the Conversion Price (i) \$0.04 per CDI; (ii) where prior to the Maturity Date the Company undertakes the Next Capital Raise, the price per CDI at which the Next Capital Raise has been completed and (iii) the 10 Day VWAP for the period immediately preceding the Maturity Date.
Repayment	Repayment is due on earlier of: <ul style="list-style-type: none"> <li>– Maturity Date (March 31, 2019); or</li> <li>– the occurrence of an Event of Default</li> </ul> <p>If repayment is due to the occurrence of an Event of Default the Company must redeem the relevant Notes the subject of a Default Redemption Notice by paying the Principal outstanding plus Accrued Interest (including interest at the annual rate of 12% as from the date of service of the default redemption notice).</p>

# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 17. BORROWINGS (CONTINUED)

Term	Description
Events of default:	<p>The Convertible Note Deed also includes customary events of default including –</p> <ul style="list-style-type: none"> <li>– the Company breaches a material term of the Deed;</li> <li>– any warranty is materially misleading or untrue;</li> <li>– occurrence of an insolvency event;</li> <li>– failure to obtain a Requisite Approval (including shareholder approval) within the time periods – no longer applicable;</li> <li>– Court judgement in excess of \$100,000 is obtained against the Company</li> </ul>

On February 22, 2019 the Company entered into Deed of Amendment with the 2018 Noteholders to extend the Maturity Date of notes to March 31, 2020. The Noteholders option to convert at the price per CDI at which the Next Capital Raise has been completed has been extended to within 7 days prior to the convening of a special general meeting of CDI holders to seek security holder approval to a reorganisation.

The mandatory conversion provision is now operational when the company completes a Next Financing Event defined as a financing of the company of at least \$7.5 million undertaken after February 21, 2019 and before Maturity Date. The Conversion Price is the lower of the Conversion Price as originally defined or the price at which funds were raised under that Next Financing Event.

In March and May 2020 further amendments were made to the 2018 Convertible Notes and the Note Deeds were amended and restated. The amendments included extending the maturity date to 21 December 2020. No changes were made to the Conversion Price. The 2 notes in the amount of \$200,000 each can be repaid on maturity at Simavita's election.

(b) In June 2019, the company entered into secured note deed pursuant to which it has issued unsecured notes for an aggregate principal amount of AUD\$3,140,000.

At the company's Special General Meeting on June 24, 2019, the Company obtained shareholder approval to convert up to \$3,500,000 the Debt Notes into CDIs (a form of 'equity security' for the purposes of the ASX Listing Rules). The conditions of the resultant AUD\$3,500,000 Convertible Notes are prescribed by the Convertible Note Terms contained in the secured debt notes entered into between the Company and each Noteholder on identical terms.

There has been no prior formal valuation of the securities issued in the Financing as there has not been any necessity to do so. The Financing has been reviewed and unanimously approved by the independent members of the Board of Directors.

The company has accrued \$287,269 interest payable on Convertible Notes as at June 30, 2020.

The key terms from the 2019 Convertible Note Deed are summarised as follows:

Term	Description
Use of Funds:	To focus on the Corporation's business model by continuing to bring its software platform technology AlertPLUS™ to market and for other working capital purposes.
Interest:	Coupon rate of 10% per annum, with all interest payable upon the earlier of conversion, redemption or the Maturity Date.
Subscription Tranches:	Funds are to be advanced in 3 tranches as follows:
	(a) an initial tranche of \$500,000 upon signing the Note Deeds ( <b>First Tranche</b> ) as consideration for 500,000 Debt Notes (already subscribed),
	(b) a further tranche of a minimum of \$1,575,000 ( <b>Second Tranche</b> ) in return for 1,575,000 Convertible Notes, and
	(c) a further tranche of up to \$1,000,000 ( <b>Third Tranche</b> ) at AU\$1.00 per Convertible Notes as consideration for the issue of up to 1,000,000 Convertible Notes.
Maturity Date:	April 30, 2022

## 17. BORROWINGS (CONTINUED)

Term	Description
<b>Security and priority:</b>	<p>The Convertible Notes will be secured convertible notes. A general securities deed poll granting security over the entire Corporation's assets and undertakings in Australia will be executed by the Corporation in favour of each 2019 Noteholder. The security shall cease as the Convertible Notes are converted or redeemed.</p> <p>The secured money owing to each Noteholder by the Corporation shall rank pari passu and pro rata between each 2019 Noteholder without any preference or priority between them. The Note Deed includes general terms governing Noteholders conducting Noteholder meetings and a process for actions that may be taken by the Noteholders.</p>
<b>Requisite Approvals:</b>	All Requisite Approvals have been obtained under the applicable laws and regulations and the Convertible Notes are now convertible into CDIs upon Conversion.
<b>Repayment:</b>	<p>Repayment is due on earlier of:</p> <ul style="list-style-type: none"> <li>– Maturity Date (if required by the Noteholder and not already Converted); or</li> <li>– the occurrence of an Event of Default.</li> </ul> <p>If repayment is due to the occurrence of an Event of Default the Corporation must redeem the relevant Notes by paying the Principal outstanding plus Accrued Interest (including interest at the annual rate of 12% as from the date of service of the default redemption notice).</p>
<b>Events of default:</b>	<p>The Convertible Note Deed also includes customary events of default including</p> <ul style="list-style-type: none"> <li>– the Company breaches a material term of the Deed;</li> <li>– any warranty is materially misleading or untrue;</li> <li>– occurrence of an insolvency event;</li> <li>– Court judgement in excess of \$100,000 is obtained against the Company</li> </ul>
<b>Covenants:</b>	The Corporation provides each Noteholder with usual commercial covenants for a transaction such as this Financing
<b>Conversion:</b>	<p>The Convertible Notes may be converted by the Noteholder at any time, and will automatically convert into CDIs upon a Qualifying Finance Event or a Takeover of the Corporation, where a Qualifying Financing Event means an equity capital raise of at least A\$7.5 million, or such other amount as agreed, based on a minimum pre-money valuation of the Company of at least A\$20 million, with a target of pre-money valuation of A\$25 million.</p> <p>The number of CDIs to issue upon Conversion is calculated by dividing the sum of the principal amount paid under the Convertible Notes plus accrued interest; by the Conversion Price. The Conversion Price shall be determined as follows:</p> <ol style="list-style-type: none"> <li>upon a "Qualifying Financing Event", the Conversion Price is equal to a 65% discount to the price per CDI at which the Qualifying Financing Event occurred with a cap based on a fully diluted (excluding all options under the Simavita Limited Stock Option Plan) pre-money value of \$25m (in which case the conversion price will be the lower of the 65% discount and the pre-money cap of \$25m). This price is to be calculated at a share price before taking into account the Qualifying Capital raise; or</li> <li>where a Noteholder elects to Convert on or prior to June 30, 2020, the Conversion Price is equal to a 65% discount to the price per CDI calculated by dividing \$20 million by the number of CDIs on issue at the date of Conversion, or</li> <li>where a Noteholder elects to Convert after June 30, 2020, the Conversion Price is equal to a price per CDI calculated by dividing \$3 million by the number of CDIs on issue at the date of Conversion; or</li> <li>upon the "Maturity Date": the Conversion Price is equal to a price per CDI calculated by dividing \$3 million by the number of CDIs on issue at the date of Conversion.</li> </ol> <p>Where the CDIs are reconstructed, consolidated, divided or reclassified into a lesser or greater number of securities under circumstances not otherwise contemplated by the Note Terms or the Note Deed, the Conversion Price and / or Conversion Number shall be adjusted by the Company as it reasonably considers appropriate, having first obtained independent confirmation of the adjustment.</p>

# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 17. BORROWINGS (CONTINUED)

The 2019 Convertible Notes were converted on 31 July 2020 excluding interest. It is expected that the outstanding interest will be paid in cash to noteholders by 31 August 2020.

## 18. SHARE CAPITAL

	Number of Shares	Amount \$
<b>Summary of common shares issued and outstanding</b>		
Balance at July 1, 2018	309,899,594	66,243,056
Issue of common shares for cash	71,833,330	2,155,000
Issue of common shares from conversion of convertible notes	36,045,208	1,441,808
Equity transaction costs	—	(110,183)
<b>Balance at June 30, 2019</b>	<b>417,778,132</b>	<b>69,729,681</b>
<b>Balance at July 1, 2019</b>	<b>417,778,132</b>	<b>69,729,681</b>
Issue of common shares for cash	146,000,000	2,920,000
Issue of common shares from conversion of convertible notes	—	—
Equity transaction costs	—	(14,295)
<b>Balance at June 30, 2020</b>	<b>563,778,132</b>	<b>72,635,386</b>

As of the date of these financial statements, there was a total of 563,778,132 common shares in the Group on issue, of which all of them were held as CDIs.

### Summary of options outstanding

As at June 30, 2020, a total of 23,869,844 options over common shares in the Group were outstanding.

The numbers of options outstanding including the respective dates of expiry and exercise prices, are tabled below. The options are not listed on the ASX.

Number	Exercise price	Grant date	Expiry date	Fair value per option Black Scholes
12,559,844	\$0.050	July 14, 2016	June 23, 2023	\$0.056
360,000	\$0.120	October 13, 2016	October 13, 2023	\$0.027
3,000,000	\$0.060	October 13, 2016	October 13, 2023	\$0.034
2,000,000	\$0.050	June 29, 2017	June 28, 2024	\$0.019
1,500,000	\$0.050	February 15, 2018	January 31, 2025	\$0.027
2,450,000	\$0.035	November 20, 2018	November 19, 2025	\$0.021
2,000,000	\$0.050	July 18, 2019	July 17, 2026	\$0.012

## 19. RESERVES

	Consolidated	
	June 30, 2020 \$	June 30, 2019 \$
Share-based payments reserve	969,020	959,046
Share capital reserve	499,445	499,445
Foreign currency reserve	43,540	43,817
Total reserves	1,512,005	1,502,308

## 20. ACCUMULATED LOSSES

Balance at the beginning of the year	(73,386,775)	(69,819,942)
Reversal of lapsed options vested not exercised	14,026	367,383
Adjustment for adoption of AASB 16 - Leases	266	–
Add: net loss attributable to owners of Simavita Limited	(4,066,402)	(3,934,216)
Balance at the end of the year	(77,438,885)	(73,386,775)

## 21. RELATED PARTY TRANSACTIONS

### (a) Parent entities

The Group is controlled by the following entities:

Name	Type	Place of incorporation	Ownership interest	
			2019	2018
Simavita Limited *	Ultimate parent entity and controlling party	Canada	100%	100%
Simavita Holdings Limited	Immediate and ultimate Australian parent entity	Australia	100%	100%

\* Simavita Limited holds 100% of the issued ordinary shares of Simavita Holdings Limited.

### (b) Subsidiaries

Interests in subsidiaries are set out below:

Name of Group company	Incorporation details	Group interest %	
		2020	2019
Simavita Limited	May 28, 1968; Yukon, Canada (continued into British Columbia, Canada on December 3, 2013)	N/A	N/A
Simavita Holdings Limited	October 11, 1995; Victoria, Australia	100%	100%
Simavita (Aust) Pty Ltd	January 15, 2009; NSW, Australia	100%	100%
Simavita US Inc.	August 11, 2012; Delaware, USA	100%	100%
Fred Bergman Healthcare Pty Ltd	January 28, 1971; Victoria, Australia	100%	100%

# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 21. RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Key management personnel compensation

	June 30, 2020 \$	June 30, 2019 \$
Short-term employee benefits	1,125,965	1,221,644
Post-employment benefits	92,709	91,268
Termination benefits	–	–
Share-based payments	–	42,000
	1,218,674	1,354,912

The compensation of each member of the key management personnel of the company is set out in the Remuneration report, included in the Directors' Report.

### (d) Transactions with other related parties

Subscription for Convertible notes totalling \$100,000 by company directors for 2019 Convertible Note issue described in the Note 17(b), in the same terms as other noteholders. Dr John McBain, who became a Director on November 26, 2019, is associated with an entity who is a 2019 Convertible noteholder in the amount of \$750,000.

In April 2020 an entity associated with Mr Damien Haakman, a Director of the Company, subscribed for 13,750,000 CDIs at a price of 2 cents per CDI. In the same placement an entity associated with Dr John McBain, a Director of the Company, subscribed for 37,500,000 CDIs at a price of 2 cents per CDI.

## 22. SEGMENT INFORMATION

### Identification of reportable segments

The Group has identified one reportable business segment based on the similarity of the products manufactured 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 risk and has the greatest effect on the rates of return.

The Group has identified two reportable geographic segments, being Australia and Rest of the World (Europe and North America), 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. The chief operating decision maker consists of the Board and key management personnel.

	Australia \$	ROW \$	Other \$	Total \$
<b>FY 2020</b>				
Revenue				
Sales of goods	–	–	–	–
Services	43,469	–	–	43,469
Total revenue	43,469	–	–	43,469
Cost of sales	(19,997)	–	–	(19,997)
Gross Profit	23,472	–	–	23,472
Other income	–	–	1,009,231	1,009,231
Operating expenses	(452,830)	(12,145)	(3,952,599)	(4,417,574)
EBITDA	(429,358)	(12,145)	(2,943,368)	(3,384,871)
Depreciation and amortization	–	–	(163,083)	(163,083)
Finance costs	–	–	(518,448)	(518,448)
Loss before income tax expense	(429,358)	(12,145)	(3,624,899)	(4,066,402)

## 22. SEGMENT INFORMATION (CONTINUED)

### Identification of reportable segments (continued)

	Australia \$	ROW \$	Other \$	Total \$
<b>FY 2019</b>				
Revenue				
Sales of goods	380	42,797	–	43,177
Services	141,399	–	–	141,399
Total revenue	141,779	42,797	–	184,576
Cost of sales	(36,663)	(50,306)	–	(86,969)
Gross Profit	105,116	(7,509)	–	97,607
Other income	–	–	720,514	720,514
Operating expenses	(400,242)	(538,368)	(3,570,427)	(4,509,037)
EBITDA	(295,126)	(545,877)	(2,849,913)	(3,690,916)
Depreciation and amortization	–	–	(18,637)	(18,637)
Finance costs	–	–	(224,663)	(224,663)
Loss before income tax expense	(295,126)	(545,877)	(3,093,213)	(3,934,216)
Total segment assets				
Jun 30, 2020	–	–	3,412,366	3,412,366
Jun 30, 2019	–	9,904	1,688,774	1,698,678
Total segment liabilities				
Jun 30, 2020	–	–	6,703,860	6,703,860
Jun 30, 2019	–	26,496	3,826,968	3,853,464

## 23. COMMITMENTS AND CONTINGENCIES

	Consolidated	
	June 30, 2020 \$	June 30, 2019 \$
<b>Operating lease expenditure commitments</b>		
– not later than one year	–	78,698
– later than one year but no later than five years	–	41,307
– later than five years	–	–
<b>Total minimum operating lease payments</b>	–	120,005

# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 24. AUDITOR'S REMUNERATION

Name of Auditor	Year	Audit services \$	Assurance services \$	Other services \$	Totals \$
PricewaterhouseCoopers	2020	102,000	–	96,231	198,231
	2019	125,000	–	16,000	141,000

## 25. DEED OF CROSS-GUARANTTEE

The subsidiaries listed below are parties to a deed of cross guarantee under which each company guarantees the debts of the others. Under ASIC Corporations (wholly-owned Companies) Instrument 206/785 there is no requirement for these subsidiaries to prepare or lodge a financial report and Director's report.

The following companies are subject to the deed and represent a closed group for the purposes of the class order:

- Simavita Holdings Limited
- Simavita (Aust) Pty Ltd

The deed of cross guarantee was executed on May 23, 2017 and reconfirmed on August 29, 2019.

The consolidated statement of comprehensive income and consolidated statement of financial position, comprising the closed group, after eliminating all transactions between parties to the deed of cross guarantee are shown below:

	Consolidated	
	June 30, 2020 \$	June 30, 2019 \$
<b>Consolidated Statement of Comprehensive Loss</b>		
Revenue	43,469	184,576
Cost of sales	(19,997)	(86,794)
Gross profit	23,472	97,782
Other income	1,011,861	669,342
Operating expenses	(4,020,392)	(3,867,847)
(Loss) before income tax	(2,985,059)	(3,100,723)
Income tax	–	–
(Loss) after income tax	(2,985,059)	(3,100,723)
Other comprehensive income		
Items that may be subsequently reclassified to profit/ (loss)		
Translation of foreign operation	–	–
Total comprehensive (loss) for the year	(2,985,059)	(3,100,723)



## 25. DEED OF CROSS-GUARANTTEE (CONTINUED)

	Consolidated	
	June 30, 2020 \$	June 30, 2019 \$
<b>Consolidated Statement of Financial Position</b>		
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	2,100,861	679,239
Trade and other receivables	917,867	697,095
Inventories	—	—
Other assets	118,050	105,909
Total Current Assets	3,136,778	1,482,243
Non-Current Assets		
Property, plant and equipment	199,480	149,869
Intangible assets	28	95
Other receivables	975	975
Total Non-Current assets	200,483	150,939
Total Assets	3,337,261	1,633,182
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Current Liabilities		
Trade and other payables	43,047,018	38,458,838
Provisions	277,562	197,343
Total Current Liabilities	43,324,580	38,656,181
Non-Current Liabilities		
Provisions	29,027	8,578
Total Non-Current Liabilities	29,027	8,578
Total Liabilities	43,353,607	38,664,759
Shareholders' Equity		
Share capital	44,075,386	44,075,386
Reserves	1,778,742	1,778,742
Accumulated losses	(85,870,474)	(82,885,705)
Total Shareholders' Equity	(40,016,346)	(37,031,577)
Total Liabilities and Shareholders' Equity	3,337,261	1,633,182

# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 26. PARENT ENTITY FINANCIAL INFORMATION

### Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	June 30, 2020 \$	June 30, 2019 \$
<b>Statement of financial position</b>		
Current assets	48,052	44,448
Total assets	48,052	44,448
Current liabilities	23,103,691	24,165,866
Total Liabilities	23,103,691	24,165,866
Shareholders' equity		
Issued capital	33,485,765	30,580,060
Reserves		
Share-based payments reserve	(333,312)	(343,287)
Share capital reserve	141,450	141,717
Retained earnings	(38,443,609)	(33,406,301)
	(5,149,706)	(3,027,811)
Profit or (loss) for the year	(915,749)	(3,355,358)
Total comprehensive (loss) for the year	(915,749)	(3,355,358)

## 27. 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 minimize potential adverse effects on the financial performance of the Group. The Group uses different methods to measure the different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange, interest rate and aging analysis for credit risk.

Risk management is managed by the Group's Audit and Risk Committee (the "Committee") under guidance provided by the Board of Directors. Due to the small number of Directors currently, the full Board is operating as the Audit & Risk Committee. The Committee identifies and evaluates financial risks in close cooperation with the Group's operating units. A detailed Enterprise Risk Plan was developed during the year ended June 30, 2015 and approved by the Board. The Plan has been reviewed annually by the Committee and revised on a regular basis, as required.

The Board, via the Committee, provides guidance for overall risk management, as well as policies covering specific areas, such as credit risk, foreign exchange risk and interest rate risk. The Group's principal financial instruments comprise cash and cash equivalents. The Group also has other financial assets and liabilities, such as trade receivables and payables, which arise directly from its operations.

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

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

## 27. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group holds the following financial instruments:

	Consolidated	
	June 30, 2020 \$	June 30, 2019 \$
<b>Financial Risk Management</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	2,062,844	689,462
Trade and other receivables	924,784	695,934
<b>Total financial assets</b>	<b>2,987,628</b>	<b>1,385,396</b>
<b>Financial Liabilities</b>		
Trade and other payables	600,294	398,609
Borrowings	5,796,977	3,248,934
<b>Total financial liabilities</b>	<b>6,397,271</b>	<b>3,647,543</b>

### Credit risk

The Group's credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. If there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The compliance with credit limits by customers is regularly monitored by Management. The maximum exposures to credit risk as at June 30, 2020 in relation to each class of recognized financial assets is the carrying amount of those assets, as indicated in the balance sheet.

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

In addition, receivable balances are monitored on an ongoing basis. As at June 30, 2020, the Group had raised a provision for doubtful debts of \$NIL (FY19: \$NIL). In certain circumstances, the Group may also obtain security in the form of guarantees, deeds of undertaking or letters of credit from customers which can be called upon if the counterparty is in default under the terms of the agreement.

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

# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 27. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Credit risk (continued)

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

	Consolidated	
	June 30, 2020 \$	June 30, 2019 \$
<b>Trade Receivables</b>		
Current (less than 30 days)	1,906	675
31 days to 60 days	330	–
61 days to 90 days	–	–
Greater than 90 days	358	275
<b>Total trade receivables</b>	<b>2,594</b>	<b>950</b>
<b>Trade and other payables</b>		
Current (less than 30 days)	594,206	398,609
31 days to 60 days	6,088	–
61 days to 90 days	–	–
Greater than 90 days	–	–
<b>Total trade and other payables</b>	<b>600,294</b>	<b>398,609</b>

Note: Trade receivables do not include the R&D tax concession receivable of \$880,410 (2019: \$664,950)

### Market risk

#### Foreign currency risk

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

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

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

## 27. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Market risk (continued)

As at June 30, 2020 the Group held the following financial assets and liabilities that were denominated in the following currencies: AUD – Australian dollars; USD – United States dollars; CAD – Canadian dollars; EUR – European euros; GBP – Great British Pounds.

	Year	\$ AUD	\$ USD	\$ CAD	\$ GBP	\$ EUR	\$ Totals (AUD)
<b>Financial Assets</b>							
Cash and cash equivalents	<b>2020</b>	<b>2,035,126</b>	<b>7,639</b>	<b>18,066</b>		<b>2,013</b>	<b>2,062,844</b>
	2019	657,846	8,167	21,456		1,993	689,462
Trade and other receivables	<b>2020</b>	<b>924,784</b>					<b>924,784</b>
	2019	700,575	(4,641)				695,934
<b>Total financial assets</b>	<b>2020</b>	<b>2,959,910</b>	<b>7,639</b>	<b>18,066</b>	–	<b>2,013</b>	<b>2,987,628</b>
	2019	1,358,421	3,526	21,456	–	1,993	1,385,396
<b>Financial Liabilities</b>							
Trade and other payables	<b>2020</b>	<b>455,300</b>	<b>122,231</b>	<b>14,346</b>	<b>8,417</b>		<b>600,294</b>
	2019	392,975		2,607		3,027	398,609
Borrowings	<b>2020</b>	<b>5,796,977</b>					<b>5,796,977</b>
	2019	3,248,934					3,248,934
<b>Total financial liabilities</b>	<b>2020</b>	<b>6,252,277</b>	<b>122,231</b>	<b>14,346</b>	<b>8,417</b>	–	<b>6,397,271</b>
	2019	3,641,909	–	2,607	–	3,027	3,647,543

#### (i) Cash and cash equivalents

During the year ended June 30, 2020, the Australian dollar / US dollar exchange rate decreased by 2.2%, from 0.7013 at the beginning of the year to 0.6863 at the end of the year.

During the same period, the Australian dollar / Canadian dollar exchange rate increased by 2.1%, from 0.9187 at the beginning of the year to 0.9387 at the end of the year.

Also during the same period, the Australian dollar / Euro exchange rate decreased by 1.0% from 0.6171 at the beginning of the year to 0.6111 at the end of the year.

Based on the financial instruments held at June 30, 2020, had the Australian dollar weakened / strengthened by 10% against the US dollar, with all other variables held constant, the Group's consolidated loss for the year would have been \$1,000 lower/ \$1,000 higher (2019: \$1,000 lower/ \$1,000 higher), due to changes in the values of cash and cash equivalents which are denominated in US dollars, as detailed in the above tables.

Based on the financial instruments held at June 30, 2020, had the Australian dollar weakened / strengthened by 10% against the Canadian dollar, with all other variables held constant, the Group's equity, relating solely to the movement in profit and loss for the year, would have been \$2,000 lower/\$2,000 higher (2019: \$2,000 lower/\$2,000 higher), due to changes in the values of cash and cash equivalents which are denominated in Canadian dollars, as detailed in the above tables.

Based on the financial instruments held at June 30, 2020, had the Australian dollar weakened / strengthened by 10% against the Euro, with all other variables held constant, the Group's loss for the year would have been immaterial (2019: immaterial).

#### (ii) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of the business. Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

# Notes to the Consolidated Financial Statements

for the year ended June 30, 2020

## 27. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Market risk (continued)

#### (iii) Trade and other payables

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

#### (iv) Borrowings

The carrying amounts of borrowings are considered to be the same as their fair values. Refer to Note 17.

### Interest rate risk

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

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

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

At June 30, 2020, if interest rates had changed by +/- 50 basis points from the year-end rates, with all other variables held constant, the Group's equity, relating solely to the movement in profit and loss for the year, would not have changed materially. The Group's main interest rate risk during the year ended June 30, 2019 and June 30, 2020 arose in respect of fixed rate borrowings with interest rates that did not fluctuate.

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

Consolidated	Year	Floating rate \$	Fixed rate \$	Carrying amount \$	Weighted ave. rate %	Maturity period days
<b>Financial Assets</b>						
Cash and cash equivalents	2020	2,062,844	—	2,062,844	0.05%	At call
	2019	689,462	—	689,462	0.44%	At call
Performance bond and deposits	2020	—	—	—	—	At call
	2019	—	—	—	—	At call
<b>Total financial assets</b>	2020	2,062,844	—	2,062,844		
	2019	689,462	—	689,462		
<b>Financial Liabilities</b>						
Interest-bearing liabilities	2020	—	5,796,977	—	10.69%	
	2019	—	3,248,934	—	10.53%	
<b>Total financial liabilities</b>	2020	—	5,796,977	—		
	2019	—	3,248,934	—		

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

## 27. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Liquidity risk

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

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

Consolidated	Year	< 6 months \$	6 to 12 months \$	1 to 5 years \$	> 5 years \$	Total \$
<b>Financial liabilities</b>						
Trade and other payables	2020	600,294		–	–	600,294
	2019	384,493	14,116	–	–	398,609
Interest-bearing liabilities and deposits	2020	665,763	5,131,214		–	5,796,977
	2019	298,535	1,693,973	2,754,929	–	4,747,437
<b>Total financial liabilities</b>	2020	1,266,057	5,131,214	–	–	6,397,271
	2019	683,028	1,708,089	2,754,929	–	5,146,046

### Classification of financial instruments

AASB 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 Group's financial assets and liabilities as at June 30, 2020 and June 30, 2019 (as set out above) approximate their carrying values due to the short term nature of these instruments.

### Borrowing facilities

The Group had access to the following borrowing facilities as at June 30, 2020:

Nature of facility	Facility limit \$	Amount used \$	Amount available \$
Credit card facilities	90,000	10,184	79,816

## 28. CAPITAL MANAGEMENT

The Group's objective when managing capital is to ensure its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. Refer to Note 10 for details of cash reserves of the Group as at the end of the financial reporting period.

## 29. SUBSEQUENT EVENTS

On July 31, 2020 the 2019 Convertible Noteholders converted the principal amounts of the Convertible Notes. As a result of this conversion 590,087,778 CDIs were issued.

In October 2020 the Company received written commitment from two investors seeking to invest a total of \$650,000. Pricing for the investment is subject to ongoing negotiation.

# Directors' Declaration

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The Directors of the Group declare that:

- 1 The financial statements and notes are:
  - (a) giving a true and fair view of the Group's financial position as at June 30, 2020 and of its performance for the year ended on that date;
  - (b) complying with Australian Accounting Standards and other mandatory professional reporting requirements; and
- 2 In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- 3 At the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 25 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 25.

This declaration is made in accordance with a resolution of the Board of Directors.



**Michael R. Spooner**  
Executive Chairman



**Alan D. Fisher**  
Director

Date: October 7, 2020

The above declaration should be read in conjunction with the consolidated financial statements and with the accompanying notes.



# Independent Auditor's Report

for the year ended June 30, 2020



## Independent auditor's report

To the members of Simavita Limited

### Our opinion

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of Simavita Limited (the Company) and its controlled entities (together the Group) as at June 30, 2020 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

### What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at June 30, 2020
- the consolidated statement of comprehensive loss for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the director's declaration.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

### Independence

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including *Independence Standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report, which indicates that the Group has incurred a loss before tax of \$4,066,402 for the year ended June 30, 2020, net cash flows used in operations during the same period of \$3,539,952 and was in a net current liabilities position as at June 30, 2020 of \$3,495,370. As a result, the continuing viability of the Group is dependent upon successfully completing the \$650,000 subscription by November 30, 2020, raising additional funds as may be necessary to enable the Group to fund its on-going operations and completing a substantive agreement with one or more commercialisation partners.

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# Independent Auditor's Report

for the year ended June 30, 2020



These conditions, along with other matters detailed in Note 2(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality	Audit scope	Key audit matters
<ul style="list-style-type: none"> <li>For the purpose of our audit we used overall Group materiality of \$200,000, which represents approximately 5% of the Group's loss before tax.</li> <li>We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.</li> <li>We chose Group loss before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.</li> <li>We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable loss related thresholds.</li> </ul>	<ul style="list-style-type: none"> <li>Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.</li> <li>The Group is in the field of smart, wearable and disposable technologies for the healthcare market. The Group's head office is located in Sydney and the Group operates in Australia, Europe and North America.</li> <li>The accounting processes are structured around a Group finance function located in Sydney.</li> </ul>	<ul style="list-style-type: none"> <li>Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: <ul style="list-style-type: none"> <li>Accounting for Research and Development (R&amp;D) tax incentive</li> <li>Amendments and subsequent measurement of convertible notes</li> <li>Material uncertainty related to going concern</li> </ul> </li> <li>These are further described in the <i>Key audit matters</i> section of our report, except for the matter which is described in the <i>material uncertainty related to going concern</i> section.</li> </ul>



### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter(s) described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Accounting for Research and Development (R&amp;D) tax incentive</b> (Refer to note 11 [\$880,410])</p> <p>The Group obtains Research and Development (R&amp;D) tax incentive payments from the Australian Commonwealth Government that reduces the net overall cost incurred by the Group in respect of its R&amp;D activities. The Group has recognised R&amp;D tax incentive income and a corresponding receivable of \$880,410 under the relevant scheme for the 2020 financial year.</p> <p>This was a key audit matter because of the judgement involved by the Group in assessing the appropriate quantum of R&amp;D tax incentive to recognise due to the complexity of the eligibility rules and regulations governing the tax incentive.</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> <li>Assisted by PwC R&amp;D taxation experts, we developed an understanding of the government eligibility requirements for obtaining the R&amp;D tax incentive and the basis used by the Group to recognise this incentive. We also considered whether the activities meet the definition and are eligible for an R&amp;D tax incentive.</li> <li>Tested a sample of employee costs allocated by the Group to R&amp;D activities to supporting documentation.</li> <li>Compared the R&amp;D tax incentive amounts recorded by the Group and subsequently received relating to the 2019 financial year to supporting documentation.</li> <li>Assessed whether all relevant employee costs were included in the R&amp;D tax incentive calculation by comparing the employee costs used to calculate the R&amp;D tax incentive to the expenditure recorded in the general ledger.</li> <li>Compared the Group's calculations for accrued receivables for the R&amp;D tax incentive to the prior year approved R&amp;D tax incentive calculation.</li> <li>Evaluated the adequacy of disclosures made by the Group in the financial report in view of the requirements of Australian Accounting Standards.</li> </ul>

# Independent Auditor's Report

for the year ended June 30, 2020



## Key audit matter

## How our audit addressed the key audit matter

### **Amendments and subsequent measurement of convertible notes** (Refer to note 17(a) [\$1,703,945])

During the year, amendments were made to the 2018 Convertible Notes Deeds with a face value of \$1,400,000 and to extend the maturity date to 21 December 2020.

Management assessed the amendments to the Convertible Notes Deeds were a modification under AASB 9 *Financial Instruments*.

This was a key audit matter due to the judgement required by the Group in determining whether the amendments to the terms and conditions qualify as modification or extinguishment.

We performed the following audit procedures, amongst others:

- We developed an understanding of the amendments to the terms and conditions to the Convertible Notes Deeds including the prerequisite conditions that to be met for conversion. We evaluated management's assessment that the amendments qualify as a modification.
- Assessed management's consideration for subsequent measurement and the accounting classification of the embedded derivatives.
- Evaluated the adequacy of disclosures made by the Group in the financial report in view of the requirements of Australian Accounting Standards.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended June 30, 2020 but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' Report (including the Remuneration Report), Corporate Governance Statement and Corporate Information. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.



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### *Responsibilities of management and the directors for the financial report*

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as Management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Management is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

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### *Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink, likely belonging to Manoj Santiago.

Manoj Santiago  
Partner

Sydney  
7 October 2020

# ASX Additional Information

as at 7 October 2020

Additional Information required by the Australian Securities Exchange Limited (ASX) Listing Rules and not disclosed elsewhere in the Report is set out below.

1. In accordance with the 3rd edition ASX Corporate Governance Council's Principles and Recommendations, the 2020 Corporate Governance Statement, as approved by the Board, is available on the Company's website at: <http://www.simavita.com/irm/content/corporate-governance.aspx>. The Corporate Governance Statement sets out the extent to which Simavita Limited has followed the ASX Corporate Governance Council's Recommendations during the 2020 financial year. The 2020 Corporate Governance Statement is current as at 31st August 2020.

## 2. SUBSTANTIAL SECURITYHOLDERS

The number of securities held by substantial CDI holders and their associates, as advised to the ASX, are set out below:

Name	Number of CDIs	Interest as at date of Notice
TIGA Trading Pty Ltd	196,557,190	17.03%
Fifty Second Celebration Pty Ltd <McBain Family A/C>	183,721,717	15.92%
Dussman Group	115,769,031	10.03%
Chevron Corporation Pty Ltd and Associates	104,763,526	9.08%
Daniel Hegglin	79,614,844	6.90%
Mutual Trust Pty Ltd	57,777,345	5.01%

## 3. NUMBER OF SECURITYHOLDERS AND SECURITIES ON ISSUE

Simavita Limited has issued the following securities:

- a. 1,153,865,910 (CDIs) held by 1052 securityholders;
- b. 24,444,844 Unlisted options held by 12 option holders; and
- c. 3 Convertible Notes held by 3 noteholders.

## 4. VOTING RIGHTS

### CHESS Depository Interests

Simavita is a Canadian Incorporated entity which is listed on the ASX and its shares trade as CDIs. Simavita's sole shareholder is CHESS Depository Nominees Pty Ltd, a wholly owned subsidiary of the ASX, which legally holds the shares on behalf of the CDI holder whilst the CDI holder retains the beneficial ownership of the shares.

CDI holders are able to vote at meetings by proxy by completing a CDI Voting Instruction Form and lodging it with the share registry. Each CDI holder is entitled to one vote per CDI of a members meeting.

### Options

Option holders do not have any voting rights on the options held by them.

## 5. DISTRIBUTION OF SECURITYHOLDERS

### (a) Quoted securities

#### CHES Depository Interests

Category	Holders	Units	%
1 – 1,000	305	50,648	0.00
1,001 – 5,000	149	523,803	0.05
5,001 – 10,000	94	746,765	0.06
10,001 – 100,000	321	13,197,919	1.14
100,001 and over	183	1,139,346,775	98.75
<b>Total</b>	<b>1,052</b>	<b>1,153,865,910</b>	<b>100.00</b>

### (b) Unquoted securities

#### Options

Category	Holders	Units	%
1 – 1,000	0	0	0.00
1,001 – 5,000	0	0	0.00
5,001 – 10,000	0	0	0.00
10,001 – 100,000	6	835,000	3.4
100,001 and over	6	23,609,844	96.6
<b>Total</b>	<b>12</b>	<b>24,444,844</b>	<b>100.00</b>

## 6. UNMARKETABLE PARCEL OF SECURITIES

The number of shareholders holding less than a marketable parcel of CDIs is 680 based on Simavita Limited's closing CDI price of \$0.019, on 7 October 2020.

# ASX Additional Information

as at 7 October 2020

## 7. TWENTY LARGEST SECURITYHOLDERS

### CHESS Depository Interests

Details of the 20 largest grouped securityholders as at 7 October 2020:

Name	No. of CDIs	%
1 FIFTY SECOND CELEBRATION PTY LTD <MCBAIN FAMILY A/C>	183,721,717	15.92
2 UBS NOMINEES PTY LTD	179,344,533	15.54
3 DUSSMAN & ASSOCIATES	115,769,031	10.03
4 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	93,226,422	8.08
5 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	68,043,652	5.90
6 CHEVRON CORPORATION PTY LTD	67,178,317	5.82
7 MUTUAL TRUST PTY LTD	58,048,025	5.03
8 RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	56,377,813	4.89
9 NAGM INVESTMENTS PTY LTD <NAGM INVESTMENTS A/C>	46,910,511	4.07
10 CHEVRON CORPORATION PTY LTD <THE ARGYLE A/C>	37,585,209	3.26
11 JOSAKA INVESTMENTS PTY LTD	37,585,209	3.26
12 GEORGE TAUBER MANAGEMENT P/L	33,926,766	2.94
13 CITICORP NOMINEES PTY LIMITED	18,835,382	1.63
14 CARLUKE PASTORAL CO PTY LTD <P & C JOHNSTONE FAMILY A/C>	12,000,000	1.04
15 DR GARY W PACE + MS JINNY HAMILTON PACE <PACE A/C>	9,396,302	0.81
16 DR ANNE SPOONER	9,396,302	0.81
17 MATTNEY INVESTMENTS PTY LTD <MATTNEY SUPER FUND A/C>	5,000,000	0.43
18 LINTON SODERHOLM	5,000,000	0.43
19 MRS JANET WINIFRED BARLOW	4,698,151	0.41
20 TONY BRAND + NORMA MARKS <NORMA BRAND SUPER FUND A/C>	4,698,151	0.41
21 SAMSON GROUP PTY LTD <BRAND SUPER FUND A/C>	4,698,151	0.41
<b>Totals: Top 20 holders</b>	<b>1,051,439,644</b>	<b>91.12</b>
<b>Total Remaining Holders Balance</b>	<b>102,426,266</b>	<b>8.88</b>
<b>Issued Capital</b>	<b>1,153,865,910</b>	<b>100.00</b>

## 8. VOLUNTARY ESCROW

There are currently no restricted securities or securities subject to voluntary escrow on issue..

## 9. ON MARKET BUY-BACK

There is no current on market buy-back.

## 10. ADDITIONAL INFORMATION PROVIDED IN ACCORDANCE WITH ASX ADMISSION LETTER:

In accordance with the admission letter provided to Simavita Limited by the ASX, the following additional statements are provided to any persons who may subscribe for securities under a prospectus or information memorandum:

Simavita Limited (the "Group") was incorporated under the laws of the Yukon Territory on 28 May 1968 and continued under the laws of the Province of British Columbia, Canada on 3 December 2013.

The Company is not subject to chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of its securities (including substantial holdings and takeovers).

There are no limitations of the acquisition of securities imposed by the jurisdiction in which the Company is incorporated and there are no limitations on the acquisition of securities imposed under the Company's constitution.



# Corporate Information

## DIRECTORS

Michael R. Spooner (Executive Chairman)  
Gary W. Pace (Non-Executive)  
Damien M. Haakman (Non-Executive)  
Alan D. Fisher (Non-Executive)  
John C. McBain (Non-Executive)

## COMPANY SECRETARY

Peta C. Jurd

## REGISTERED OFFICE

26<sup>th</sup> Floor, 700 West Georgia Street  
Vancouver BC V7Y 1B3  
Canada

## HEAD OFFICE

Suite 2.02, Level 2, 54 Miller Street  
North Sydney NSW 2060  
Australia

Telephone: +61 2 8405 6300  
Facsimile: +61 2 8088 1301  
Email: [customerservice@simavita.com](mailto:customerservice@simavita.com)

## SIMAVITA GROUP WEBSITE

[www.simavita.com](http://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  
Shop 235, Warringah Mall  
Cnr Old Pittwater Rd & Condamine St  
Brookvale NSW 2100  
Australia

## BANKER (USA)

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

## LAWYERS (CANADA)

Farris, Vaughan, Wills & Murphy LLP  
25th Floor, 700 W Georgia St  
Vancouver BC V7Y 1B3  
Canada

## LAWYERS (AUSTRALIA)

K&L Gates  
Level 25, 525 Collins Street  
Melbourne VIC 3000  
Australia

## LAWYERS (USA)

Masuda, Funai, Eiffert & Mitchell, Ltd.  
203 N. LaSalle Street, Suite 2500  
Chicago IL 60601-1262  
USA

## AUDITOR

PricewaterhouseCoopers  
One International Towers Sydney  
Watermans Quay  
Barangaroo NSW 2000  
Australia

## AUSTRALIAN SECURITIES EXCHANGE

Code: SVA (CDIs)  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000  
Australia

## 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  
[www.computershare.com.au](http://www.computershare.com.au)

# Simavita

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