



Release of 2015 financial results

For Immediate Release:

August 20, 2015

Highlights:

- Sales revenue up by 122% to \$0.8 million, as compared to FY 2014
- Net loss after tax down by more than \$1.0 million, or 10%, on prior year
- Strong balance sheet with cash reserves in excess of \$9.0 million and no interest-bearing debt
- Market fundamentals continue to strengthen around Simavita's Smart Incontinence Management (SIM™) digital healthcare platform

Sydney, Australia – Simavita Limited (ASX: SVA; TSX-V: SV) (“Simavita” or the “Company”), a global leader in the digital healthcare sector, is pleased to release its audited financial results for the year ended June 30, 2015, together with its ASX Appendix 4E and first ASX Appendix 4G.

Key points from the Appendix 4E include:

- The Company reported a net loss after tax for the year ended June 30, 2015 of \$9.5 million representing a decrease of \$1.0 million, or 10%, over the loss for the previous year. This decrease in the current year loss is principally attributable to:
 - An increase in revenues from the sale of Simavita's Smart Incontinence Management (SIM™) platform up by 122% to \$0.8 million in comparison with the result for FY 2014;
 - The absence of \$2.0 million in expenses associated with the acquisition of Simavita Holdings Limited in FY 2014;
 - The absence of finance costs (\$0.3 million) that were incurred during FY 2014, prior to the repayment of the related interest-bearing liabilities during that year; and
 - A reduction in the share-based payments expense (\$0.6 million) incurred due to a reduction in the number of unlisted stock options that were granted during FY 2015.
- These reductions were offset by increases in sales, marketing and distribution expenses (\$2.0 million), research and development expenses (\$0.4 million) and an increase in the income tax benefit (\$0.3 million) relating to the Company's estimated claim under the Australian Government's R&D Tax Incentive Scheme.

“The 2015 financial year has been an important one for Simavita during which we have laid the foundations for the Company's future growth. A number of headline activities were conducted during the year, including the successful conclusion of a well-subscribed capital raise to institutional and sophisticated investors, signing several new distribution agreements in Australia, North America and Europe, and establishing teams in overseas markets to support both our distribution and direct sales strategies”, commented Simavita CEO, Philippa Lewis.

“Market acceptance of SIM™ is improving through the work conducted in FY 2015, and we expect that with the completion of key activities such as the interoperability project with MatrixCare; successfully closing large SIM™ pilot studies, and the establishment of a direct sales force in North America, momentum building around the product will deliver further growth during FY 2016”, Mrs. Lewis added.

For further information, see our website (www.simavita.com) or contact the persons outlined below.

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About Simavita

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

About SIM™

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

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

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

Except for historical information, this announcement may contain forward-looking statements that reflect the Company's current expectation regarding future events. These forward-looking statements involve risk and uncertainties, which may cause, but are not limited to, the anticipated date of on the ASX, changing market conditions, the establishment of corporate alliances, the impact of competitive products and pricing, new product development, uncertainties related to the regulatory approval process, and other risks detailed from time to time in the Company's ongoing quarterly and annual reporting.

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.

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SIMAVITA LIMITED

ARBN 165 831 309

**ASX APPENDIX 4E
PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2015**

ASX APPENDIX 4E

The following information for Simavita Limited (“Simavita” and the “Company”) is provided under Listing Rule 4.3A of the Listing Rules of the Australian Securities Exchange (“ASX”). The financial information provided in this Appendix 4E covers the consolidated Group, comprising Simavita Limited (the parent entity) and all entities that the Company controlled from time to time during the year ended June 30, 2015 and at the reporting date. The date of this Appendix 4E is **August 20, 2015**.

- The reporting period covers the financial year ended June 30, 2015 (“Reporting Period”). The previous corresponding period covers the financial year ended June 30, 2014 (“Previous Period”).
- Results for announcement to the Market:

		Reporting Period	Movement from Previous Period	
2.1	Consolidated revenue from ordinary activities	\$778,574	Increased by \$428,679	Increased by 122.5%
2.2	Consolidated loss from ordinary activities after tax attributable to Members of the Company	\$(9,463,209)	Decreased by \$1,028,581	Decreased by 9.8%
2.3	Consolidated loss attributable to Members of the Company	\$(9,463,209)	Decreased by \$1,028,581	Decreased by 9.8%
2.4	No dividends were paid during the Reporting Period nor are any proposed.			
2.5	There is no record date for determining dividend entitlements.			
2.6	All matters pertaining to the figures above are described elsewhere in this Appendix 4E and the audited consolidated financial statements for the Group attached to this Appendix 4E.			

- The audited Consolidated Statement of Comprehensive Loss for the consolidated Group covering the Reporting Period and the Previous Period is provided on page 21 of the attached Financial Report (the “Report”).
- The audited Consolidated Statement of Financial Position for the consolidated Group covering the Reporting Period and the Previous Period is provided on page 22 of the attached Report.
- The audited Consolidated Statement of Cash Flows for the consolidated Group covering the Reporting Period and the Previous Period is provided on page 24 of the attached Report.
- The audited Consolidated Statement of Changes in Equity covering the Reporting Period and the Previous Period is provided on page 23 of the attached Report. A Statement of Retained Losses covering the Reporting Period and the Previous Period is included as Note 21 on page 41 of the attached Report.
- No dividends were paid during the Reporting Period or the Previous Period, nor are any proposed as at the date of this Appendix 4E.
- The Company does not have a Dividend Reinvestment Plan as at the date of this Appendix 4E.
- The consolidated net tangible assets as at the end of the Reporting Period were \$0.11 per share. The corresponding figure as at the end of the Previous Period was \$0.11 per share.

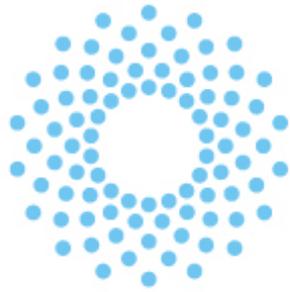
10. During the Reporting Period, the Company did not gain or lose control of any entities.
11. As at the end of the Reporting Period, the Company had no interest in any associate or joint venture.
12. Apart from the information contained in the attached Report and elsewhere in this Appendix 4E, there is no other significant information needed by an investor to make an informed assessment of the Company's financial performance and financial position as at the Reporting Date.
13. The audited consolidated financial statements that are contained in the attached Report have been prepared in accordance with International Financial Reporting Standards ("IFRS").
14. A commentary on the Company's results for the Reporting Period has been provided in the Management Discussion and Analysis contained in the Report that accompanies this Appendix 4E.
15. The attached consolidated financial statements for the Group have been audited by the Company's auditor, PricewaterhouseCoopers.
16. Not applicable.
17. The audit report that accompanies the attached consolidated financial statements for the Group contains an emphasis of matter paragraph in regard to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Additional disclosure regarding this emphasis of matter has been included in Note 3(a) to the financial statements.

Signed on behalf of Simavita Limited

PHILIPPA M. LEWIS
Chief Executive Officer

Dated this 20th day of August, 2015

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Simavita
gracing life

SIMAVITA LIMITED

ARBN 165 831 309

FINANCIAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2015

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SIMAVITA LIMITED

(the “Company”)

Management Discussion and Analysis

(Form 51-102F1)

For the year ended June 30, 2015

The following Management Discussion and Analysis (“MD&A”) of the results and financial position of the Company for the year ended June 30, 2015 should be read in conjunction with the information provided in the Company’s financial statements for the year ended June 30, 2015 (“Financial Statements”) and the material contained herein.

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

DATE

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

OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS

Highlights

Financial year ended June 30, 2015

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

Fourth quarter ended June 30, 2015

- Revenue from the sale of SIM™ of \$159,748 represents an increase of 67% over the same prior year period.
- Revenue in the quarter includes sales to Abena A/S in Denmark and to the first Australian distributor, Bunzl.
- Additional equity capital of \$8,332,871, before associated costs, raised during the quarter.

Overview

The Simavita Group of companies (the “Group”) operates in the global digital healthcare space and has developed an innovative, wearable platform which is a patented world-first solution for the management of urinary incontinence. The Group’s flagship product is the Smart Incontinence Management™ (“SIM™”) platform technology which is an instrumented incontinence assessment application that provides evidence-based incontinence assessment and management care plans for the residential aged care market.

Australia

Now in its fourth generation, the Company’s SIM™ technology is being used by more than 50 residential aged care facilities in Australia as at the date of this MD&A. To assist in the further expansion of the Company’s market share in Australia, two non-exclusive sales and marketing partnership agreements have now been executed with major continence product distributors, Bunzl Outsourcing Services and Paul Hartmann Pty. Ltd. Simavita will continue to sell SIM™ locally using its current sales force.

Overview (cont.)

Australia (cont.)

Through these partnerships, both Bunzl and Hartmann will work with Simavita to introduce SIM™ to aged care facilities which are operated by their current customers. Simavita will also collaborate with them on commercial opportunities such as tenders within the Residential Aged Care industry, and will engage in joint sales and marketing initiatives. In order to commence the sales and marketing process, both distributors placed initial orders of SIM™ products so that they can stock their warehouses in preparation for despatch to customers.

North America

In June 2014, the Company expanded its operations internationally, initially into the United States, via a distribution agreement with local distribution partner, Medline Industries, Inc., where sales of SIM™ have now commenced. In July 2015, the Company announced that, in order to more rapidly and widely deploy SIM™ in the US market, Simavita and Medline had agreed to vary their distribution agreement such that Medline will transition to a non-exclusive distribution arrangement. While the distribution relationship with Medline will continue to be an important one for Simavita, this transition will enable the Company to also commence independent sales and marketing activities, and also to engage with additional third party distributors over time.

In June 2015, to further expand its US presence, Simavita entered into an agreement with MatrixCare, a leading electronic healthcare records (EHR) provider to the US long term, post-acute care healthcare market, where its EHR solution is currently deployed across more than 7,000 aged care facilities. Under this agreement, the parties are collaborating to jointly develop an integrated solution to effect interoperability between SIM™ and MatrixCare's EHR solution. The parties will also work together to deploy the integrated solution and their respective technologies to the US aged care sector. Once complete, the integrated solution will enable the significant number of Long Term Care organizations that currently use the MatrixCare EHR solution to seamlessly integrate the data generated by Simavita's SIM™ technology into their overall healthcare systems. The ability of SIM™ to integrate seamlessly with such systems represents a major opportunity to gain widespread acceptance of its technology in that market.

Following the end of the 2015 financial year, the Company announced the appointment of two distributors in Canada, Medline Canada Corporation (an associate of Medline Industries, Inc.) and MedProDirect Inc. These appointments followed the successful signing of the Company's first Canadian customers. Under these agreements, each of the distributors has been granted non-exclusive rights to sell and distribute SIM™ in the Canadian market. In order to commence the sales and marketing process, Medline Canada will place an initial order of SIM™ products.

Europe

On January 29, 2015, the Company announced the execution of a distribution agreement with Abena A/S covering the sale and distribution of SIM™ in Denmark. Early sales of the product in Denmark have also now commenced, with an expansion into other European countries envisaged during the 2016 financial year.

SaaS business model

In July 2015, Simavita initiated the roll out of its "Software as a Service" (SaaS) business model. Under this model, customers now contract with Simavita on an annual basis for the ability to use SIM™ throughout that year. Each customer pays a fixed, monthly or quarterly fee for which it receives access to Simavita's proprietary software, together with an agreed number of assessments and the accompanying hardware. Additional assessments and other consumables may be purchased, as needed, from Simavita separately at an agreed price.

The SaaS model provides customers with the benefits of a regular, predictable, all-encompassing fee for SIM™, enabling them to include the associated costs into their budgetary framework with a greater degree of certainty. For many customers, this model has the added advantage of being similar to the way in which they purchase other services used in the long-term care industry and has been well received.

The SaaS model provides Simavita with a contracted and predictable revenue stream that will increase as additional customers sign up for the use of SIM™. Agreements with the Company's first US and Canadian customers under the new SaaS model have now been executed and negotiations with other potential customers are underway as the Company's North American sales pipeline continues to grow.

Overview (cont.)

Changes to the Board of Directors

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

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

Shareholder meetings

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

Tax incentive scheme payment

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

Likely developments

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

Changes to capital structure

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

- On July 30, 2014, following a Special Meeting of the Company's shareholders held on July 23, 2014, the Company issued a total of 6,502,216 common shares as CDIs at an issue price of \$0.45 per share/CDI, raising a total of \$2,925,997, before the payment of associated costs.
- The Company conducted a capital raise in Australia via a CDI purchase plan (the "SPP") to raise up to an additional \$1,080,000 at an issue price of \$0.45 per CDI. The SPP offer opened on June 26, 2014 and closed on July 25, 2014. Pursuant to the terms of the SPP, the Company issued a total of 1,572,201 common shares and CDIs to those parties who subscribed under the SPP. The shares/CDIs were issued on July 30, 2014 at an issue price of \$0.45 per share/CDI, raising a total of \$707,490, before the payment of associated costs.
- On August 19, 2014, the Company granted a total of 1,237,500 unlisted stock options pursuant to the Company's stock option plan to various employees of the Company. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at a price of \$0.70 per share. The options vested immediately upon the date of grant and have an expiry date of July 31, 2018.
- On October 28, 2014, the Company granted a total of 500,000 unlisted stock options pursuant to the Company's stock option plan to a consultant of the Company. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at a price of \$0.62 per share. The options, which vested immediately upon the date of grant, have an expiry date of July 1, 2017.
- On April 9, 2015, the Company completed the placement of 18,431,935 common shares and CDIs at an issue price of \$0.45 per security. The placement raised a total of \$8,294,371, before the payment of associated costs.

Changes to capital structure (cont.)

- On April 10, 2015, the Company granted 1,990,000 unlisted stock options to five key executives of the Company pursuant to an incentive scheme between Simavita and the respective recipients. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at prices ranging from \$0.51 to \$0.76. The options, which vested immediately upon the date of grant, have an expiry date of March 31, 2019.
- On May 22, 2015, the Company issued 85,555 common shares and CDIs at an issue price of \$0.45 per security to two Directors of the Company subject to shareholder approval which was received on May 21, 2015.
- On June 30, 2015, a total of 214,000 unlisted stock options which had been granted to former employees of the Company on August 19, 2014 were forfeited and cancelled.
- On July 7, 2015, the Company granted a total of 193,000 unlisted stock options pursuant to the Company's stock option plan to various employees of the Company. Each option, which was granted at no cost, entitles the holder to acquire one common share in the Company at a price of \$0.70 per share. The options vested immediately upon the date of grant and have an expiry date of June 30, 2019.

Discussion of operations

Statement of comprehensive loss

Overview

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

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

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

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

Revenues

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

Discussion of operations (cont.)

Statement of comprehensive loss (cont.)

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

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

Cost of sales

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

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

Finance costs

During the year ended June 30, 2014, the Group incurred finance costs of \$320,603 in respect of interest-bearing liabilities held by the Group during that year. Following the extinguishment of all outstanding interest-bearing liabilities during the previous year, via the conversion of certain debt instruments into equity and the repayment in cash of other loans from the proceeds of the Company's various capital raisings, all such liabilities were repaid such that, during the year ended June 30, 2015, no such finance costs were incurred.

General and administration

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

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

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

Discussion of operations (cont.)

Statement of comprehensive loss (cont.)

- Other expenses decreased by \$533,126, or 46%, due to expenses incurred in relation to the Company's stock exchange listings during the 2014 financial year.

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

Occupancy costs

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

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

Research and development

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

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

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

Sales, marketing and distribution

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

Australia

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

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

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

Discussion of operations (cont.)

Statement of comprehensive loss (cont.)

North America

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

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

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

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

Europe

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

Share-based payments expense

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

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

Transaction expenses

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

Income tax benefit

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

Discussion of operations (cont.)

Statement of comprehensive loss (cont.)

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

Statement of financial position

Cash and cash equivalents

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

Trade and other receivables

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

Inventories

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

Other assets

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

Property, plant and equipment

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

Trade and other payables

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

Share capital

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

Discussion of operations (cont.)

Statement of financial position (cont.)

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

Reserves

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

Statement of cash flows

Operating activities

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

Investing activities

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

Financing activities

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

SELECTED FINANCIAL DATA

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

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

Analysis of current year movements

Total revenues

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

SELECTED FINANCIAL DATA (cont.)

Analysis of current year movements (cont.)

Net loss

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

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

Total assets

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

Total non-current liabilities

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

Analysis of prior year movements

Total revenues

Revenues generated by the Group from the sale of its SIM™ solution increased by \$33,605, or 11%, to \$349,895 during the year ended June 30, 2014, as compared to \$316,290 for the previous corresponding year. This rate of sales growth, however, was reduced due to a focus by the Company on the completion of its Generation 4 SIM™ product for launch in the US market rather than securing further sales of earlier Generation 3 products in Australia. In addition, as existing customers transitioned from the earlier Generation 3 product to the more advanced Generation 4 product, the number of incontinence assessments performed fell resulting in a temporary decline in both sales and revenue. Following the successful rollout of the Generation 4 product, sales increased by 122% during the 2015 financial year.

Net loss

The Group reported a consolidated loss after income tax for the year ended June 30, 2014 of \$10,491,790, which was \$3,105,979, or 42%, higher than the loss incurred during the previous year ended June 30, 2013 of \$7,385,811. The loss for the year ended June 30, 2014, however, included significant one-off expenses including a non-cash, share-based payments expense in respect of warrants and options granted as part of the Company's stock exchange listings during that year (\$1,302,333), transaction expenses associated with the Company's acquisition by Gtech International Resources Limited and subsequent dual stock exchange listings (\$1,221,125) and a non-cash loss arising on acquisition of \$792,397. After deducting these three amounts, the adjusted loss for the year ended June 30, 2014 would have fallen to \$7,175,935, or \$209,876 (approximately 3%), less than the loss for previous year.

SELECTED FINANCIAL DATA (cont.)

Analysis of prior year movements (cont.)

Total assets

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

Total non-current liabilities

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

SUMMARY OF QUARTERLY RESULTS

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

Quarter ended	Total revenue \$	Net profit/(loss) \$	Net loss per share \$
June 30, 2015	159,748	(3,282,247)	(0.04)
March 31, 2015	160,744	(2,113,438)	(0.03)
December 31, 2014	359,390	(1,702,796)	(0.02)
September 30, 2014	98,692	(2,364,728)	(0.03)
Totals - year ended June 30, 2015	<u>778,574</u>	<u>(9,463,209)</u>	<u>(0.12)</u>
June 30, 2014	95,774	(867,099)	(0.03)
March 31, 2014	102,838	(4,406,615)	(0.15)
December 31, 2013	75,957	(2,865,887)	(0.09)
September 30, 2013	75,326	(2,352,189)	(0.07)
Totals - year ended June 30, 2014	<u>349,895</u>	<u>(10,491,790)</u>	<u>(0.34)</u>
June 30, 2013	37,103	(1,153,445)	(0.51)
March 31, 2013	100,211	(2,405,992)	(1.07)
December 31, 2012	72,743	(2,193,494)	(0.98)
September 30, 2012	106,233	(1,632,880)	(0.73)
Totals - year ended June 30, 2013	<u>316,290</u>	<u>(7,385,811)</u>	<u>(3.29)</u>

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

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

LIQUIDITY

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

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

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

OFF-BALANCE SHEET ARRANGEMENTS

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

CAPITAL RESOURCES

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

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

Operating lease expenditure commitments

Minimum operating lease payments	\$
- not later than one year	192,134
- later than one year but not later than five years	299,785
- later than five years	-
	<hr/>
Total minimum operating lease payments	<u>491,919</u>

As at the above date, the Group had entered into two operating leases relating to the following premises:

Location	Landlord	Use	Date of expiry of lease	Minimum payments (\$)
Level 13, 54 Miller Street North Sydney, NSW 2060 Australia	54 Miller Street Pty. Ltd.	Office	June 30, 2018	450,879
Level 40, 140 William Street Melbourne, Victoria 3000 Australia	ServCorp Pty. Ltd.	Office	May 31, 2016	41,040
			Total	<u>491,919</u>

TRANSACTIONS BETWEEN RELATED PARTIES

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

Directors

Michael W. Brown (*Non-Executive Chairman*)

Philippa M. Lewis (*Chief Executive Officer*)

Ari B. Bergman (*Non-Executive*)

Warren R. Bingham (*Non-Executive*)

Damien M. Haakman (*Non-Executive*)

Craig J. Holland (*Non-Executive*)

Named Executive Officers

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

Peter J. Curran (*Chief Technology Officer*)

Christopher R. Southerland (*Vice President, US Sales and Marketing*)

Charles B. Cornish (*Director, Sales and Marketing ANZ*)

Edward W. Nixey (*General Counsel*)

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

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

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

Payments made to Directors and NEOs during the year ended June 30, 2015 (cont.)

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

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

1. Mr. Brown was appointed as a Non-Executive Director of the Company and as the Non-Executive Chairman of the Board on January 7, 2015.
2. During the period from July 1, 2014 up to the date on which Mr. Brown was appointed as a Non-Executive Director of the Company, certain payments totalling \$117,000 were paid by the Company to Integrated Equity Pty. Ltd., a company associated with Mr. Brown, in respect of consulting services provided to the Company in relation to its capital raising in July 2014 and other corporate matters. In addition to these payments, during the same period, a total of 500,000 options were granted to Integrated Equity Pty. Ltd. which had a total share-based payments expense of \$93,500. The consulting arrangement between the Company and Integrated Equity Pty. Ltd. was terminated with effect from December 31, 2014. In respect of the year ended June 30, 2014, an amount of \$443,563 was paid to Integrated Equity Pty. Ltd. which comprised capital raising fees totalling \$338,563 and corporate advisory fees totalling \$105,000.
3. Payments made to Mrs. Lewis during the year ended June 30, 2015 totalling \$197,191 (as disclosed above under the heading "Other") comprised a dislocation and hardship allowance of \$70,000 and certain expense payment fringe benefits totalling \$67,411 (together with the associated fringe benefits tax of \$59,780). In respect of the year ended June 30, 2014, an amount of \$584,983 was paid which comprised a dislocation and hardship allowance of \$52,500, certain expense payment fringe benefits totalling \$31,581 (together with the associated fringe benefits tax of \$27,708), as well as payments totalling of \$473,194 to Dumur Asia Pacific Pty. Ltd., a company associated with Mrs. Lewis, comprising management and other fees of \$189,694, capital raising fees of \$208,500 and bonuses totalling \$75,000.

Payments made to Directors and NEOs during the year ended June 30, 2015 (cont.)

4. Following the appointment of Mr. Brown as a Non-Executive Director of the Company and as the Non-Executive Chairman of the Board on January 7, 2015, Mr. Bergman relinquished the role of Acting Non-Executive Chairman effective from January 7, 2015 but remained on the Board as a Non-Executive Director. Payments made to Mr. Bergman during the year ended June 30, 2015 totalling \$2,917 (as disclosed above under the heading “Other”) comprised fees paid to Estley Pty. Ltd., a company associated with Mr. Bergman (2014: \$44,054), in respect of services provided to the Company by Mr. Bergman as a Director.
5. Mr. Bingham was appointed as a Non-Executive Director of the Company on May 21, 2015. Payments made to Mr. Bingham during the year ended June 30, 2015 totalling \$25,000 (as disclosed above under the heading “Other”) comprised fees paid to MedTech International Pty. Ltd., a company associated with Mr. Bingham, in respect of services provided to the Company by Mr. Bingham as a Director.
6. Payments made to Mr. Haakman during the year ended June 30, 2015 totalling \$165,000 (as disclosed above under the heading “Other”) comprised fees paid to Dussman Pty. Ltd., a company associated with Mr. Haakman, in respect of services provided to the Company in relation to its capital raising in July 2014. In respect of the year ended June 30, 2014, an amount of \$300,000 was paid to Dussman Pty. Ltd., comprising \$180,000 in commission payments made in respect of the Company’s capital raising in November 2013 and interest and related fees paid in respect of loans made by Dussman Pty. Ltd. to the Company of \$120,000.
7. Mr. Holland was appointed as a Non-Executive Director of the Company on November 14, 2014. Payments made to Mr. Holland during the year ended June 30, 2015 totalling \$37,667 (as disclosed above under the heading “Other”) comprised fees paid to Jackham Investments Pty. Ltd., a company associated with Mr. Holland, in respect of services provided to the Company by Mr. Holland as a Director.
8. Mr. Cook was appointed as a Director of the Company on November 20, 2013 and subsequently as the Non-Executive Chairman of the Board on January 31, 2014. He resigned from the Board on September 12, 2014.
9. Mr. Lloyd-Jones was appointed as a Director of the Company and as Non-Executive Chairman of the Board on November 20, 2013. He subsequently resigned as a Director of the Company on January 31, 2014.
10. Mr. Southerland was appointed as Vice President, US Sales and Marketing on March 16, 2015. Payments made to Mr. Southerland during the year ended June 30, 2015 totalling \$14,296 (as disclosed above under the heading “Other”) comprised social security payments and reimbursement of medical insurance premiums.
11. Mr. Cornish was appointed as Director, Sales and Marketing Australia and New Zealand on March 1, 2015. Payments made to Mr. Cornish during the year ended June 30, 2015 totalling \$126,500 (as disclosed above under the heading “Other”) comprised fees paid to Healthy Holdings Pty. Ltd., a company associated with Mr. Cornish, in respect of sales and marketing services provided to the Company by Mr. Cornish.
12. Mr. Nixey was appointed as General Counsel on April 27, 2015.
13. Mr. Won was appointed as Vice President, Manufacturing and Supply Chain on October 27, 2014.

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates and assumptions

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

Share-based payments transactions

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont.)

Critical judgements in applying the Group's accounting policies

Research and development costs

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

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

Reverse Takeover

The Company's acquisition of Simavita Holdings Limited on December 3, 2013 is assessed to be an asset acquisition and not a business combination under IFRS 3 *Business combinations*, as the Company has been deemed not to have been operating a business at that time for accounting purposes.

CHANGES IN ACCOUNTING POLICIES

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

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

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

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

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

OTHER MD&A REQUIREMENTS

Additional Disclosure for Venture Issuers without Significant Revenue

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

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

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

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

OUTSTANDING SHARE DATA

Summary of shares issued and outstanding

	Number of shares	Amount \$
Balance at July 1, 2013	7,964,337	18,602,287
Issue of ordinary shares by Simavita Holdings for cash (pre-acquisition)	20,928,675	2,000,000
Conversion of borrowings into equity (pre-acquisition)	49,589,520	7,885,514
Share consolidation by Simavita Holdings (1 for 3.543)	(56,331,098)	-
Issue of ordinary shares by Simavita Holdings for cash (pre-acquisition)	33,902,338	13,899,963
Elimination of shares in legal acquiree (Simavita Holdings)	(56,053,772)	-
Issue of common shares on acquisition of Simavita Holdings	56,053,772	-
Fair value of common shares held by pre-acquisition shareholders of Gtech	1,722,722	706,316
Issue of common shares for cash	7,876,832	3,504,968
Equity transaction costs	-	(2,663,096)
	<hr/>	<hr/>
Balance at July 1, 2014	65,653,326	43,935,952
Issue of common shares for cash	25,019,706	11,258,867
Issue of common shares for cash under Share Purchase Plan	1,572,201	707,500
Equity transaction costs	-	(571,471)
	<hr/>	<hr/>
Balance at June 30, 2015	<u>92,245,233</u>	<u>55,330,848</u>

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

Summary of warrants outstanding

As of the date of this MD&A, being August 20, 2015, the following warrants had been granted in respect of the Company's previous capital raisings:

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

As of the date of this MD&A, being August 20, 2015, the following warrants had been granted to Medline Industries, Inc. ("Medline") in respect of the Company's distribution arrangements with Medline (refer notes below the table for further details):

Tranche	Number	Exercise price	Grant date	Expiry date	Fair value / warrant
Tranche One	1,155,298	CAD\$0.42	January 31, 2014	January 31, 2019	\$0.206
Tranche Two	1,444,412	(refer note 1)	January 1, 2015	January 31, 2019	N/A
Tranche Three	1,444,412	(refer note 2)	January 1, 2016	January 31, 2019	N/A

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

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

OUTSTANDING SHARE DATA (cont.)

Summary of options outstanding

As of the date of this MD&A, being August 20, 2015, the following options were outstanding:

Number	Exercise price	Grant date	Expiry date	Fair value / option
1,469,166	\$0.41	January 31, 2014	December 3, 2016	\$0.167
2,469,166	\$0.52	January 31, 2014	December 3, 2016	\$0.137
1,469,166	\$0.65	January 31, 2014	December 3, 2016	\$0.110
1,469,166	\$0.82	January 31, 2014	December 3, 2016	\$0.086
1,023,500	\$0.70	August 19, 2014	July 31, 2018	\$0.267
500,000	\$0.62	October 28, 2014	July 1, 2017	\$0.187
1,490,000	\$0.68	April 9, 2015	March 31, 2019	\$0.145
100,000	\$0.51	April 9, 2015	March 31, 2019	\$0.190
200,000	\$0.63	April 9, 2015	March 31, 2019	\$0.156
200,000	\$0.76	April 9, 2015	March 31, 2019	\$0.128
193,000	\$0.70	July 7, 2015	June 30, 2019	\$0.195

DIRECTORS AND OFFICERS

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

Michael W. Brown	Chairman
Philippa M. Lewis	Director and CEO
Ari B. Bergman	Director
Warren R. Bingham	Director
Damien M. Haakman	Director
Craig J. Holland	Director
Thomas G. Howitt	CFO and Secretary

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

FORWARD-LOOKING STATEMENTS

This MD&A contains “forward-looking information” within the meaning of the Canadian securities laws. Forward-looking statements in this document include statements regarding possible future acquisitions, spending plans, possible financing plans, current strategies and ongoing adjustments to these strategies providing the potential for revenue opportunities such as potential new products leveraging off the Company’s underlying platform technology; revenue growth in the next fiscal year; the use of proceeds from the recent financings; the Company’s strategy, future operations, prospects and plans of management; and estimates of the length of time the Company’s business will be funded by anticipated financial resources. In connection with the forward-looking information contained in this MD&A, the Company has made numerous assumptions, regarding, among other things, the timing and quantum of revenue generated through sales of the Company’s products; the outcome of the collaborations with third parties, the sufficiency of budgeted expenditures in carrying out planned activities; the availability and cost of labour and services; the use of pilot sites of the Company’s SIM™ solution leading to further negotiations with a number of potential users of the Group’s products; and expected growth of sales. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements.

FORWARD-LOOKING STATEMENTS (cont.)

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

A more complete discussion of the risks and uncertainties facing the Company is disclosed in the Company's continuous disclosure filings with Canadian securities regulatory authorities at www.sedar.com. All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

The Board of Directors of the Company has approved the disclosure contained in this MD&A. Additional information relating to the Company is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

BY ORDER OF THE BOARD

"Craig J. Holland"

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

"Philippa M. Lewis"

PHILIPPA M. LEWIS
(Director and CEO)

SIMAVITA LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS FOR THE YEAR ENDED JUNE 30, 2015

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

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

SIMAVITA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2015

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

Approved and authorized by the Board on August 20, 2015

"Craig J. Holland"

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

"Philippa M. Lewis"

PHILIPPA M. LEWIS
(Director and CEO)

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

SIMAVITA LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2015

	Share capital \$	Reserves \$	Retained losses \$	Totals \$
Balance at July 1, 2013	18,602,287	1,469,980	(28,662,929)	(8,590,662)
Net loss for the year	-	-	(10,491,790)	(10,491,790)
Movement in share-based payments reserve	-	1,302,333	-	1,302,333
Other comprehensive income, net of tax	-	(22,783)	-	(22,783)
Total comprehensive income/(loss) for the year	-	1,279,550	(10,491,790)	(9,212,240)
<i>Transactions with owners</i>				
Issue of common shares for cash	17,404,931	-	-	17,404,931
Issue of common shares to owners of Simavita Holdings Limited	9,885,514	-	-	9,885,514
Fair value of shares issued on acquisition	706,316	-	-	706,316
Equity transaction costs	(2,663,096)	-	-	(2,663,096)
Total transactions with owners	25,333,665	-	-	25,333,665
Balance at June 30, 2014	43,935,952	2,749,530	(39,154,719)	7,530,763
Net loss for the year	-	-	(9,463,209)	(9,463,209)
Movement in share-based payments reserve	-	715,763	-	715,763
Other comprehensive income, net of tax	-	12,774	-	12,774
Total comprehensive income/(loss) for the year	-	728,537	(9,463,209)	(8,734,672)
<i>Transactions with owners</i>				
Issue of common shares for cash	11,966,367	-	-	11,966,367
Equity transaction costs	(571,471)	-	-	(571,471)
Total transactions with owners	11,394,896	-	-	11,394,896
Balance at June 30, 2015	55,330,848	3,478,067	(48,617,928)	10,190,987

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

SIMAVITA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2015

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

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

SIMAVITA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

1. Nature and continuance of operations

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

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

The Group’s operations focus on the sale and distribution of an expanding range of innovative products derived from its proprietary incontinence assessment and management technology, SIM™, with an initial emphasis on the US and European marketplaces, through existing distribution arrangements, and also in Australia. Simavita’s operations are located in North Sydney, Australia.

2. Qualifying transaction and reverse takeover

On December 3, 2013, the Company completed a reverse takeover qualifying transaction (“Reverse Takeover”) in accordance with TSX Venture Exchange Inc. (“TSX-V”) Policy 2.4 whereby the Company acquired all the issued shares of Simavita Holdings Limited on the basis of one share in the Company for one share in Simavita Holdings. Legally, the Company is the parent of Simavita Holdings. However, as a result of the above share exchange, control of the Group passed to the former shareholders of Simavita Holdings which, for accounting purposes, is deemed to be the acquirer. There has been no change in the accounting treatment used in the preparation of these consolidated financial statements.

3. Summary of significant accounting policies

(a) Basis of preparation

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

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

Going concern

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

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

3. Summary of significant accounting policies (cont.)

(a) Basis of preparation (cont.)

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

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

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

(b) Basis of consolidation

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

(c) Changes in accounting policies

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

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

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

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

- IFRS 15 *Revenue from Contracts with Customers* provides clarification for recognizing revenue from contracts with customers and establishes a single revenue recognition and measurement framework that applies to contracts with customers. The new standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. Management is currently assessing the potential impact of the adoption of IFRS 15 on the Company's financial statements.

3. Summary of significant accounting policies (cont.)

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

- IFRS 9 *Financial Instruments* is intended to replace IAS 39 *Financial Instruments: Recognition and Measurement* and uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial liabilities designated at fair value through profit or loss, a company can recognize the portion of the change in fair value related to the change in the company's own credit risk through other comprehensive income rather than profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39, and incorporates new hedge accounting requirements. The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

(e) Earnings per share ("EPS")

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

(f) Foreign currency translation

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

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

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

(g) Revenue

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

Sale of goods

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

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

3. Summary of significant accounting policies (cont.)

(g) Revenue (cont.)

Rendering of services

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

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

Interest revenue

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

(h) Segment reporting

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

(i) Share-based payments

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

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

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

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

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

(j) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or taxable loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognized as a liability (or asset) to the extent that 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.

3. Summary of significant accounting policies (cont.)

(j) Income tax (cont.)

Deferred tax

Deferred tax is accounted for in respect of temporary differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. In principle, deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilized.

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

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

Current and deferred tax for the year

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

Tax consolidation

Simavita Holdings Limited (the "Head Entity") and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. As at June 30, 2015, the Group had not yet generated a profit from the commercialization of its intellectual property. Accordingly, no deferred tax assets arising from carried forward losses and temporary differences have yet been recognized.

(k) Research and development tax incentive

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

(l) Government grants

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

(m) Cash and cash equivalents

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

3. Summary of significant accounting policies (cont.)

(n) Trade and other receivables

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

(o) Inventories

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

(p) Property, plant and equipment

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

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

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

(q) Intangible assets

Patents

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

Research and development costs

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

(r) Impairment of assets

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

3. Summary of significant accounting policies (cont.)

(r) Impairment of assets (cont.)

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

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

(s) Trade and other payables

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

(t) Leases

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

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

(u) Employee benefits

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

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

3. Summary of significant accounting policies (cont.)

(v) Provisions

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

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

(w) Contributed equity

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

4. Critical accounting estimates and judgments

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

(a) Critical accounting estimates and assumptions

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

Share-based payments transactions

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

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

Research and development costs

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

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

Reverse Takeover

The Company's acquisition of Simavita Holdings Limited on December 3, 2013 is assessed to be an asset acquisition and not a business combination under IFRS 3 *Business combinations*, as the Company has been deemed not to have been operating a business at that time for accounting purposes.

Consolidated

	June 30, 2015	June 30, 2014
	\$	\$

5. Other revenue

Interest revenue	191,386	121,183
Foreign currency gain/(loss)	20,249	(23,407)
Net gain on sale of plant and equipment	10,109	-
Government grant	-	118,616
	221,744	216,392
Total other revenue	221,744	216,392

6. Expenses

Depreciation of fixed assets	101,474	115,929
Amortization of intangible assets	28,742	23,970
	130,216	139,899
Total depreciation and amortization	130,216	139,899
Employee benefits expenses	6,204,721	4,545,658
Research and development expenses (excluding employee benefits)	899,937	913,832

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

7. Loss per share

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

Loss for the year attributable to the owners of Simavita Limited	(9,463,209)	(10,491,790)
Weighted average number of shares used in calculating loss per share	77,214,107	30,430,727

Note: None of the 14,144,119 (2014: 9,186,207) options and warrants over the Company's ordinary shares that were outstanding as at the reporting date are considered to be dilutive for the purposes of calculating diluted earnings per share.

Consolidated

June 30, 2015

June 30, 2014

\$

\$

8. Income tax**Reconciliation of income tax expense to prima facie tax payable**

	June 30, 2015	June 30, 2014
	\$	\$
Loss before income tax expense	<u>(10,958,906)</u>	<u>(11,706,145)</u>
Tax at the Australian tax rate of 30% (2014: 30%)	(3,287,672)	(3,511,843)
<i>Tax effect of adjustments relating to non-temporary differences</i>		
Research and development expenses	893,056	809,570
Share-based payments expense	214,729	390,700
Deductible transaction expenses	-	(6,351)
Loss on acquisition	-	237,719
	<u>(2,179,887)</u>	<u>(2,080,205)</u>
<i>Tax effect of adjustments relating to temporary differences</i>		
Deductible equity transaction costs	(290,949)	(158,515)
Net movements in provisions and payables	96,470	14,306
Accrued interest receivable	3,600	(5,624)
Unrealised foreign exchange gain	(1,403)	-
Net non-deductible transaction and interest expenses	-	316,468
	<u>(2,372,169)</u>	<u>(1,913,570)</u>
Tax rate differential due to other tax jurisdictions	(77,384)	(35,774)
	<u>(2,449,553)</u>	<u>(1,949,344)</u>
Tax losses not recognized	<u>2,449,553</u>	<u>1,949,344</u>
	-	-
Research and development tax incentive	<u>1,495,697</u>	<u>1,214,355</u>
Income tax benefit	<u>1,495,697</u>	<u>1,214,355</u>
Deferred tax assets / (liabilities)		
Equity transaction costs	860,277	634,062
Provisions and payables	129,724	70,901
Accrued expenses	94,747	22,200
Other	6,712	(5,624)
Transaction expenses	-	345,724
	<u>1,091,460</u>	<u>1,067,263</u>
Deferred tax assets on temporary differences not brought to account	<u>(1,091,460)</u>	<u>(1,067,263)</u>
Total net deferred tax assets	<u>-</u>	<u>-</u>
Tax losses		
Australia	9,528,430	7,663,555
Canada	462,669	298,973
United States of America	468,447	51,473
Total deferred tax assets on tax losses not recognized	<u>10,459,546</u>	<u>8,014,001</u>

8. Income tax (cont.)

Tax losses (cont.)

Subject to the Group continuing to meet the relevant statutory tests, tax losses are available for offset against future taxable income. As at balance date, there are unrecognized tax losses with a benefit of approximately \$10,459,546 (2014: \$8,014,001) that have not been recognized as a deferred tax asset to the Group. These unrecognized deferred tax assets will only be obtained if:

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

Tax consolidation legislation

Simavita Holdings Limited (the “Head Entity”) and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. As at June 30, 2015, the Group had not yet generated a profit from the commercialization of its intellectual property. Accordingly, no deferred tax assets arising from carried forward losses and temporary differences have yet been recognized.

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

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

9. Dividends and distributions

No dividends have been paid since the end of the previous financial year, nor have the Directors recommended that any dividend be declared or paid in the foreseeable future. Rather, the Company intends to retain any earnings to finance its future growth and development.

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

	Consolidated	
	June 30, 2015	June 30, 2014
	\$	\$

10. Cash and cash equivalents

Cash at bank and on hand	4,027,722	3,291,355
Short-term deposits	5,000,000	3,552,842
Total cash and cash equivalents	<u>9,027,722</u>	<u>6,844,197</u>

Consolidated

	June 30, 2015	June 30, 2014
	\$	\$

11. Trade and other receivables

Trade receivables	169,459	58,768
GST receivable	91,571	105,141
Accrued interest receivable	12,000	18,745
Research and development tax concession receivable	1,339,584	1,214,355
Total trade and other receivables	1,612,614	1,397,009

Note: All trade and other receivables for the Group include amounts due in Australian dollars of \$1,584,806 (2014: \$1,397,009) and European Euros of EUR 19,192 (2014: Nil). Refer Note 30 for details of aging, interest rate and credit risks applicable to trade and other receivables for which, due to their short-term nature, their carrying value approximates their fair value.

12. Inventories

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

13. Other assets

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

14. Property, plant and equipment

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

Consolidated
June 30, 2015 June 30, 2014
\$ \$

14. Property, plant and equipment (cont.)

Reconciliation of property, plant and equipment

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

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

Asset category	Opening net carrying amount \$	Additions during year \$	Net disposals during year \$	Depreciation expense \$	Closing net carrying amount \$
Office equipment	17,263	145,621	-	(52,690)	110,194
Furniture and fittings	11,224	8,649	-	(8,337)	11,536
Leasehold improvements	39,254	37,256	-	(16,347)	60,163
Testing equipment	22,359	-	-	(8,624)	13,735
Rental assets	24,336	-	-	(15,476)	8,860
Totals	<u>114,436</u>	<u>191,526</u>	<u>-</u>	<u>(101,474)</u>	<u>204,488</u>

15. Intangible assets

Patents, at cost	67,690	67,690
Less: accumulated amortization	<u>(31,929)</u>	<u>(23,539)</u>
Total net patents	35,761	44,151
Software, at cost	120,291	94,767
Less: accumulated amortization	<u>(89,513)</u>	<u>(69,161)</u>
Total net software	30,778	25,606
Total intangible assets	<u>66,539</u>	<u>69,757</u>

Reconciliation of patents

Opening gross carrying amount	67,690	67,690
Add: additions during the year	-	-
Closing gross carrying amount	67,690	67,690
Opening accumulated amortization	(23,539)	(21,656)
Add: amortization expense charged	<u>(8,390)</u>	<u>(1,883)</u>
Closing accumulated amortization	(31,929)	(23,539)
Total net patents	<u>35,761</u>	<u>44,151</u>

Consolidated

	June 30, 2015	June 30, 2014
	\$	\$

15. Intangible assets (cont.)*Reconciliation of software*

Opening gross carrying amount	94,767	77,725
Add: additions during the year	25,524	17,042
Closing gross carrying amount	120,291	94,767
Opening accumulated amortization	(69,161)	(47,074)
Add: amortization expense charged	(20,352)	(22,087)
Closing accumulated amortization	(89,513)	(69,161)
Total net software	30,778	25,606

16. Trade and other payables

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

Note: Trade payables and other payables for the Group include amounts due in Australian dollars of \$814,784 (2014: \$883,198), US dollars of USD 16,657 (2014: USD 26,053), Canadian dollars of CAD 17,322 (2014: Nil) and European euros of EUR 2,210 (2014: EUR 76,374). Refer Note 30 for details of contractual maturity and management of interest rate, foreign exchange and liquidity risks applicable to trade and other payables for which, due to their short-term nature, their carrying value approximates their fair value.

17. Interest-bearing liabilities

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

18. Provisions

Annual leave	298,466	193,297
Long service leave	69,386	43,041
Total provisions	367,852	236,338

Consolidated

June 30, 2015 **June 30, 2014**
\$ \$

18. Provisions (cont.)

Reconciliation of annual leave provision

Balance at the beginning of the year	193,297	190,199
Add: obligation accrued during the year	284,049	179,501
Less: balance utilized during the year	(178,880)	(176,403)
Balance at the end of the year	298,466	193,297

Reconciliation of long service leave provision

Balance at the beginning of the year	43,041	-
Add: obligation accrued during the year	26,345	43,041
Balance at the end of the year	69,386	43,041

19. Share capital

Summary of common shares issued and outstanding

	Number of common shares	Amount \$
Balance at July 1, 2013	7,964,337	18,602,287
Issue of ordinary shares by Simavita Holdings for cash (pre-acquisition)	20,928,675	2,000,000
Conversion of borrowings into equity (pre-acquisition)	49,589,520	7,885,514
Share consolidation by Simavita Holdings (1 for 3.543)	(56,331,098)	-
Issue of ordinary shares by Simavita Holdings for cash (pre-acquisition)	33,902,338	13,899,963
Elimination of shares in legal acquiree (Simavita Holdings)	(56,053,772)	-
Issue of common shares on acquisition of Simavita Holdings	56,053,772	-
Fair value of common shares held by pre-acquisition shareholders of Gtech	1,722,722	706,316
Issue of common shares for cash	7,876,832	3,504,968
Equity transaction costs	-	(2,663,096)
Balance at July 1, 2014	65,653,326	43,935,952
Issue of common shares for cash	25,019,706	11,258,867
Issue of common shares for cash under Share Purchase Plan	1,572,201	707,500
Equity transaction costs	-	(571,471)
Balance at June 30, 2015	92,245,233	55,330,848

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

Summary of warrants outstanding

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

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

19. Share capital (cont.)

Summary of warrants outstanding (cont.)

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

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

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

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

Summary of options outstanding

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

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

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

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

Number	Exercise price	Grant date	Expiry date	Fair value
1,469,166	\$0.41	January 31, 2014	December 3, 2016	\$0.167
2,469,166	\$0.52	January 31, 2014	December 3, 2016	\$0.137
1,469,166	\$0.65	January 31, 2014	December 3, 2016	\$0.110
1,469,166	\$0.82	January 31, 2014	December 3, 2016	\$0.086
500,000	\$0.62	October 28, 2014	July 1, 2017	\$0.187
1,023,500	\$0.70	August 19, 2014	July 31, 2018	\$0.267
1,490,000	\$0.68	April 9, 2015	March 31, 2019	\$0.145
100,000	\$0.51	April 9, 2015	March 31, 2019	\$0.190
200,000	\$0.63	April 9, 2015	March 31, 2019	\$0.156
200,000	\$0.76	April 9, 2015	March 31, 2019	\$0.128

Consolidated

June 30, 2015 **June 30, 2014**
\$ \$

20. Reserves

Share-based payments reserve	2,992,676	2,276,913
Share capital reserve	499,445	499,445
Foreign currency reserve	(14,054)	(26,828)
Total reserves	3,478,067	2,749,530

21. Retained losses

Balance at the beginning of the year	(39,154,719)	(28,662,929)
Add: net loss attributable to owners of Simavita Limited	(9,463,209)	(10,491,790)
Balance at the end of the year	(48,617,928)	(39,154,719)

22. Employee benefits

Options

On November 20, 2013, the shareholders of the Company approved changes to the Company’s Stock Option Plan (the “Plan”). Under the terms of the Plan, the Directors may, at their discretion, grant options over the common shares in Simavita Limited to Directors, executives, consultants and employees. On December 3, 2014, the shareholders of the Company approved further changes to the Plan pursuant to which the maximum number of options that can be issued under the Plan was increased to 14,745,548.

During the period from the date of acquisition of Simavita Holdings Limited, being December 3, 2013, up to June 30, 2014, a total of 6,876,664 options over common shares in the Company were granted, at no cost, to three Directors of the Company. Each option, which vested immediately on the date of grant, entitles the holder to acquire one common share at a cost of between \$0.41 and \$0.82.

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

The fair value of each option granted under the Plan is estimated by an external valuer using a Black-Scholes option-pricing model with the following assumptions used for grants made during the years ended June 30, 2015 and 2014:

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

Superannuation commitments

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

23. Related party transactions

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

Directors

Michael W. Brown (*Non-Executive Chairman*)

Philippa M. Lewis (*Chief Executive Officer*)

Ari B. Bergman (*Non-Executive*)

Warren R. Bingham (*Non-Executive*)

Damien M. Haakman (*Non-Executive*)

Craig J. Holland (*Non-Executive*)

Key Management Personnel

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

Peter J. Curran (*Chief Technology Officer*)

Christopher R. Southerland (*Vice President, US Sales and Marketing*)

Charles B. Cornish (*Director, Sales and Marketing ANZ*)

Edward W. Nixey (*General Counsel*)

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

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

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

23. Related party transactions (cont.)

Payments made to Directors and KMP during the year ended June 30, 2015 (cont.)

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

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

- Mr. Brown was appointed as a Non-Executive Director of the Company and as the Non-Executive Chairman of the Board on January 7, 2015.
- During the period from July 1, 2014 up to the date on which Mr. Brown was appointed as a Non-Executive Director of the Company, certain payments totalling \$117,000 were paid by the Company to Integrated Equity Pty. Ltd., a company associated with Mr. Brown, in respect of consulting services provided to the Company in relation to its capital raising in July 2014 and other corporate matters. In addition to these payments, during the same period, a total of 500,000 options were granted to Integrated Equity Pty. Ltd. which had a total share-based payments expense of \$93,500. The consulting arrangement between the Company and Integrated Equity Pty. Ltd. was terminated with effect from December 31, 2014. In respect of the year ended June 30, 2014, an amount of \$443,563 was paid to Integrated Equity Pty. Ltd. which comprised capital raising fees totalling \$338,563 and corporate advisory fees totalling \$105,000.
- Payments made to Mrs. Lewis during the year ended June 30, 2015 totalling \$197,191 (as disclosed above under the heading "Other") comprised a dislocation and hardship allowance of \$70,000 and certain expense payment fringe benefits totalling \$67,411 (together with the associated fringe benefits tax of \$59,780). In respect of the year ended June 30, 2014, an amount of \$584,983 was paid which comprised a dislocation and hardship allowance of \$52,500, certain expense payment fringe benefits totalling \$31,581 (together with the associated fringe benefits tax of \$27,708), as well as payments totalling of \$473,194 to Dumur Asia Pacific Pty. Ltd., a company associated with Mrs. Lewis, comprising management and other fees of \$189,694, capital raising fees of \$208,500 and bonuses totalling \$75,000.

23. Related party transactions (cont.)

Payments made to Directors and KMP during the year ended June 30, 2015 (cont.)

4. Following the appointment of Mr. Brown as a Non-Executive Director of the Company and as the Non-Executive Chairman of the Board on January 7, 2015, Mr. Bergman relinquished the role of Acting Non-Executive Chairman effective from January 7, 2015 but remained on the Board as a Non-Executive Director. Payments made to Mr. Bergman during the year ended June 30, 2015 totalling \$2,917 (as disclosed above under the heading "Other") comprised fees paid to Estley Pty. Ltd., a company associated with Mr. Bergman (2014: \$44,054), in respect of services provided to the Company by Mr. Bergman as a Director.
5. Mr. Bingham was appointed as a Non-Executive Director of the Company on May 21, 2015. Payments made to Mr. Bingham during the year ended June 30, 2015 totalling \$25,000 (as disclosed above under the heading "Other") comprised fees paid to MedTech International Pty. Ltd., a company associated with Mr. Bingham, in respect of services provided to the Company by Mr. Bingham as a Director.
6. Payments made to Mr. Haakman during the year ended June 30, 2015 totalling \$165,000 (as disclosed above under the heading "Other") comprised fees paid to Dussman Pty. Ltd., a company associated with Mr. Haakman, in respect of services provided to the Company in relation to its capital raising in July 2014. In respect of the year ended June 30, 2014, an amount of \$300,000 was paid to Dussman Pty. Ltd., comprising \$180,000 in commission payments made in respect of the Company's capital raising in November 2013 and interest and related fees paid in respect of loans made by Dussman Pty. Ltd. to the Company of \$120,000.
7. Mr. Holland was appointed as a Non-Executive Director of the Company on November 14, 2014. Payments made to Mr. Holland during the year ended June 30, 2015 totalling \$37,667 (as disclosed above under the heading "Other") comprised fees paid to Jackham Investments Pty. Ltd., a company associated with Mr. Holland, in respect of services provided to the Company by Mr. Holland as a Director.
8. Mr. Cook was appointed as a Director of the Company on November 20, 2013 and subsequently as the Non-Executive Chairman of the Board on January 31, 2014. He resigned from the Board on September 12, 2014.
9. Mr. Lloyd-Jones was appointed as a Director of the Company and as Non-Executive Chairman of the Board on November 20, 2013. He subsequently resigned as a Director of the Company on January 31, 2014.
10. Mr. Southerland was appointed as Vice President, US Sales and Marketing on March 16, 2015. Payments made to Mr. Southerland during the year ended June 30, 2015 totalling \$14,296 (as disclosed above under the heading "Other") comprised social security payments and reimbursement of medical insurance premiums.
11. Mr. Cornish was appointed as Director, Sales and Marketing Australia and New Zealand on March 1, 2015. Payments made to Mr. Cornish during the year ended June 30, 2015 totalling \$126,500 (as disclosed above under the heading "Other") comprised fees paid to Healthy Holdings Pty. Ltd., a company associated with Mr. Cornish, in respect of sales and marketing services provided to the Company by Mr. Cornish.
12. Mr. Nixey was appointed as General Counsel on April 27, 2015.
13. Mr. Won was appointed as Vice President, Manufacturing and Supply Chain on October 27, 2014.

Other related party transactions

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

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

23. Related party transactions (cont.)

Common shares and CHES Depository Interests (“CDIs”) held by Directors and members of KMP

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

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

Options and warrants held by Directors and members of KMP

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

Name of holder	Quantity	Exercise price	Grant date	Expiry date	Fair value
Michael W. Brown	500,000	\$0.62	October 28, 2014	July 1, 2017	\$0.187
Philippa M. Lewis	1,469,166	\$0.41	January 31, 2014	December 3, 2016	\$0.167
	1,469,166	\$0.52	January 31, 2014	December 3, 2016	\$0.137
	1,469,166	\$0.65	January 31, 2014	December 3, 2016	\$0.110
	1,469,166	\$0.82	January 31, 2014	December 3, 2016	\$0.086
Ari B. Bergman	500,000	\$0.52	January 31, 2014	December 3, 2016	\$0.137
Thomas G. Howitt	690,000	\$0.68	April 9, 2015	March 31, 2019	\$0.145
	500,000	\$0.52	January 31, 2014	December 3, 2016	\$0.137
Peter J. Curran	350,000	\$0.70	August 19, 2014	July 31, 2018	\$0.267
	300,000	\$0.68	April 9, 2015	March 31, 2019	\$0.145
Christopher R. Southerland	100,000	\$0.51	April 9, 2015	March 31, 2019	\$0.190
	200,000	\$0.63	April 9, 2015	March 31, 2019	\$0.156
	200,000	\$0.76	April 9, 2015	March 31, 2019	\$0.128
Charles B. Cornish	100,000	\$0.68	April 9, 2015	March 31, 2019	\$0.145
Paul Won	400,000	\$0.68	April 9, 2015	March 31, 2019	\$0.145
Total	9,716,664				

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

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

Consolidated

June 30, 2015 **June 30, 2014**
\$ **\$**

24. Commitments and contingencies

Operating lease expenditure commitments

Minimum operating lease payments

- not later than one year	192,134	172,786
- later than one year but not later than five years	299,785	475,848
- later than five years	-	-
Total minimum operating lease payments	491,919	648,634

As at June 30, 2015, the Group had entered into two operating leases relating to the following premises:

Location	Landlord	Use	Date of expiry of lease	Minimum payments (\$)
Level 13, 54 Miller Street North Sydney, NSW 2060 Australia	54 Miller Street Pty. Ltd.	Office	June 30, 2018	450,879
Level 40, 140 William Street Melbourne, Victoria 3000 Australia	ServCorp Pty. Ltd.	Office	May 31, 2016	41,040
			Total	491,919

25. Segment information

Identification of reportable segments

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

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

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

Consolidated

June 30, 2015 **June 30, 2014**
\$ **\$**

Business segment

Statement of Comprehensive Loss

Sales	778,574	349,895
Other revenue	221,744	216,392
Totals	1,000,318	566,287
Loss for the year	(9,463,209)	(10,491,790)
Amortization and depreciation	(130,216)	(139,899)

Statement of Financial Position

Total assets	11,416,809	8,789,924
Total liabilities	(1,225,822)	(1,259,161)

25. Segment information (cont.)

Geographic information

Australia – includes sales and marketing activities and the location of the Company's operations.

North America – includes sales and marketing activities.

Europe – includes sales and marketing activities.

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

25. Segment information (cont.)

Geographic information (cont.)

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

There were no intersegment sales.

Included in the above figures are the following intersegment balances:

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

Segment products and locations

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

Segment accounting policies

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

Major customers

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

26. Auditors' remuneration

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

27. Acquisition of Simavita Holdings Limited

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

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

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

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

28. Exploration agreements

CANADA; YUKON TERRITORY

Aurex Property - Mayo Mining District

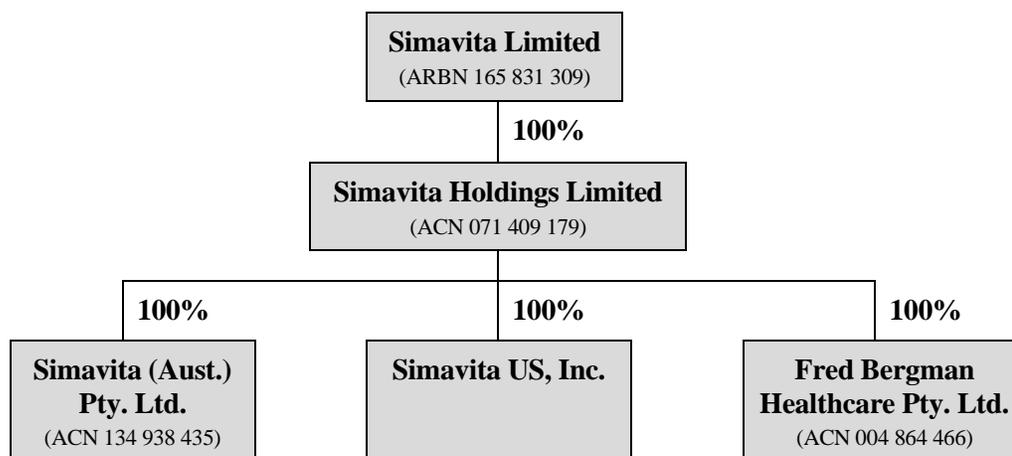
The Company previously had a 100% interest in this property, which consisted of 155 mineral claims. On August 16, 2001, the Company agreed with Yukon Zinc Corp. (“Yukon Zinc”) to accept CAD\$84,000, to be paid by the issue of 600,000 common shares in Yukon Zinc, as final settlement for the sale of the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

Revenue Creek Area - Whitehorse Mining District

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

29. Group structure

The following diagram is a depiction of the Group structure as at June 30, 2015.



Name of Group company	Incorporation details	Group interest (%)	
		2015	2014
Simavita Limited	May 28, 1968; Yukon, Canada (continued into British Columbia, Canada on December 3, 2013)	N/A	N/A
Simavita Holdings Limited	October 11, 1995; Victoria, Australia	100%	N/A
Simavita (Aust.) Pty. Ltd.	January 15, 2009; NSW, Australia	100%	100%
Simavita US, Inc.	August 11, 2012; Delaware, USA	100%	100%
Fred Bergman Healthcare Pty. Ltd.	January 28, 1971; Victoria, Australia	100%	100%

30. Financial risk management

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

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

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

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

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

30. Financial risk management (cont.)

The Group holds the following financial instruments:

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

Credit risk

The Group's credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. If there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The compliance with credit limits by customers is regularly monitored by Management. The maximum exposures to credit risk as at June 30, 2015 in relation to each class of recognized financial assets is the carrying amount of those assets, as indicated in the balance sheet.

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

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant and, as at June 30, 2015, the Group had raised no provision for doubtful debts. In certain circumstances, the Group may also obtain security in the form of guarantees, deeds of undertaking or letters of credit from customers which can be called upon if the counterparty is in default under the terms of the agreement.

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

	Consolidated	
	June 30, 2015	June 30, 2014
	\$	\$
Trade receivables		
Current (less than 30 days)	180,944	159,618
31 days to 60 days	23,536	13,421
61 days to 90 days	275	2,420
Greater than 90 days	68,275	7,195
Total trade receivables (refer note)	<u>273,030</u>	<u>182,654</u>

Consolidated
June 30, 2015 June 30, 2014
\$ \$

30. Financial risk management (cont.)

Trade and other payables

Current (less than 30 days)	857,004	987,352
31 days to 60 days	132	35,471
61 days to 90 days	-	-
Greater than 90 days	834	-
Total trade and other payables	857,970	1,022,823

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

Market risk

Foreign currency risk

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

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

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

As at June 30, 2015, the Group held the following assets and liabilities that were denominated in the following currencies: AUD – Australian dollars; USD – United States dollars; CAD – Canadian dollars; EUR – European euros.

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

30. Financial risk management (cont.)

Market risk (cont.)

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

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

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

Based on the financial instruments held at June 30, 2015, had the Australian dollar weakened / strengthened by 10% against the US dollar, with all other variables held constant, the Group's consolidated loss for the year would have been \$19,000 lower / \$35,000 higher (2014: movement immaterial), due to changes in the values of cash and cash equivalents which are denominated in US dollars, as detailed in the above tables.

Based on the financial instruments held at June 30, 2015, had the Australian dollar weakened / strengthened by 10% against the Canadian dollar, with all other variables held constant, the Group's equity, relating solely to the movement in profit and loss for the year, would have been \$35,000 lower / \$8,000 higher (2014: loss \$22,000 lower / \$18,000 higher), due to changes in the values of cash and cash equivalents which are denominated in Canadian dollars, as detailed in the above tables.

Based on the financial instruments held at June 30, 2015, had the Australian dollar weakened / strengthened by 10% against the Euro, with all other variables held constant, the Group's loss for the year would not have changed materially.

Interest rate risk

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

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

On a monthly basis, Management provides the Board with a detailed list of all cash and cash equivalents, showing the periods over which the cash has been deposited, the name and credit rating of the institution holding the deposit and the interest rate at which the funds have been deposited.

At June 30, 2015, if interest rates had changed by +/- 50 basis points from the year-end rates, with all other variables held constant, the Group's equity, relating solely to the movement in profit and loss for the year, would not have changed materially. The Group's main interest rate risk during the years ended June 30, 2014 and 2015 arose in respect of fixed rate borrowings with interest rates that did not fluctuate.

30. Financial risk management (cont.)

Market risk (cont.)

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

	Year	Floating rate	Fixed rate	Carrying amount	Weighted-average rate	Maturity period
Consolidated		\$	\$	\$	%	days
Financial assets						
Cash and cash equivalents	2015	4,027,722	5,000,000	9,027,722	2.30%	At call
	2014	3,291,355	3,552,842	6,844,197	3.24%	At call
Prepayments and deposits	2015	-	159,534	159,534	-	At call
	2014	-	50,716	50,716	-	At call
Totals	2015	4,027,722	5,159,534	9,187,256		
	2014	3,291,355	3,603,558	6,894,913		
Financial liabilities						
Interest-bearing liabilities	2015	-	-	-		
	2014	-	-	-		
Totals	2015	-	-	-		
	2014	-	-	-		

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

Liquidity risk

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

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

	Year	< 6 months	6 to 12 months	1 to 5 years	> 5 years	Totals
Consolidated		\$	\$	\$	\$	\$
Financial liabilities						
Trade and other payables	2015	857,970	-	-	-	857,970
	2014	1,022,823	-	-	-	1,022,823
Interest-bearing liabilities	2015	-	-	-	-	-
	2014	-	-	-	-	-
Total financial liabilities	2015	857,970	-	-	-	857,970
	2014	1,022,823	-	-	-	1,022,823

30. Financial risk management (cont.)

Classification of financial instruments

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

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

The fair values of the Company's financial assets and liabilities as at June 30, 2015 (as set out above) approximate their carrying values due to the short term nature of these instruments.

Borrowing facilities

The Group had access to the following borrowing facilities as at June 30, 2015:

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

31. Subsequent events

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

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

SIMAVITA LIMITED

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

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

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

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

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

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

ASX PRINCIPLES AND RECOMMENDATIONS

Principle 1: Lay solid foundations for management and oversight

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

Principle 1: Lay solid foundations for management and oversight (cont.)

The responsibilities of the Board include:

- providing strategic guidance to the Group, including contributing to the development of and approving the Group's corporate strategy;
- reviewing and approving business plans, the Group's annual budget and other financial plans, including available resources and major capital expenditure initiatives;
- overseeing and monitoring:
 - organizational performance and the achievement of the Group's strategic goals and objectives;
 - compliance with the Company's Code of Conduct; and
 - progress of major capital expenditures and other significant projects, including any acquisitions or divestments;
- monitoring the Group's financial performance, including approval of the annual and half-year financial reports and regular liaison with the Company's external auditors;
- appointment, performance assessment and, if necessary, removal of the Chief Executive Officer;
- ratifying the appointment and/or removal and contributing to the performance assessment for key members of the Executive Team;
- ensuring there are effective management processes in place for approving major corporate initiatives;
- overseeing the operation of the Group's system for compliance and risk management; and
- ensuring appropriate resources are available to senior Management to enable them to implement the strategies approved by the Board.

Day-to-day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Chief Executive Officer and the Executive Team. These delegations are reviewed by the Board on an annual basis. Upon joining the Company, all members of the Executive Team are provided with letters of appointment outlining the terms of their appointment. In accordance with Company policy, performance appraisals for all members of the Executive Team occur annually and last took place in July/August 2015.

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

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

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

Diversity policy

The Company values diversity and recognizes the benefits it can bring to the organization's ability to achieve its goals. Accordingly, the Board is considering the introduction of a series of guidelines that are to be documented in a formal diversity policy which outlines its diversity objectives in relation to gender, age, cultural background, ethnicity and other factors.

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

Principle 2: Structure the Board to add value

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

Board composition

The principles which are documented in the Charter state that:

- the Board is to be comprised of both executive and non-executive Directors with at least two of the Directors being non-executive. Non-executive Directors bring with them a fresh perspective to the Board's consideration of strategic, risk and performance matters;
- in recognition of the importance of independent views and the Board's role in supervising the activities of Management, the majority of the Board should ideally be independent of Management and all Directors are required to exercise independent judgement and review and constructively challenge the performance of the Executive Team;
- the non-executive Directors should meet periodically in the absence of Management;
- the Chairman is elected by the full Board and is encouraged to meet regularly with the Chief Executive Officer;
- the Board should meet at least eight times a year; and
- the Board should undertake an annual Board performance review and consider the appropriate mix of skills required by the Board to maximize its effectiveness and its contribution to the Group.

The Board seeks to ensure that:

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

Directors' independence

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

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

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

Principle 2: Structure the Board to add value (cont.)

Directors' independence (cont.)

Recent thinking on corporate governance has introduced the view that a Director's independence may be perceived to be impacted by lengthy service on the Board. The Board will continue to monitor developments on this issue as they arise.

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

Board members

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

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

The remaining three Directors of the Company, being Messrs. Bergman, Bingham and Holland are considered to be independent Directors. Accordingly, as at the date of this Financial Report, one half of the Board is deemed to be independent.

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

Commitment

The Board held fourteen meetings during the year ended June 30, 2015. Non-executive Directors are expected to spend adequate time preparing for and attending Board and Sub-Committee meetings and associated activities.

The number of meetings of the Company's Board of Directors and of each Sub-Committee held during the year ended June 30, 2015, and the number of such meetings attended by each Director, are disclosed in the table below.

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

Notes:

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

Principle 2: Structure the Board to add value (cont.)

Commitment (cont.)

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

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

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

Notes:

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

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

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

Chairman and Chief Executive Officer ("CEO")

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

Term of office

The Company's Articles specifies that all Directors must retire from office each year. Where eligible, a Director may stand for re-election. As at the date of this Financial Report, each Director had the following lengths of service:

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

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

Principle 2: Structure the Board to add value (cont.)

Induction

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

Conflict of interests

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

Independent professional advice

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

Performance assessment

The Board undertakes an ongoing self-assessment of its collective performance, the performance of the Chairman and of its two Sub-Committees, in addition to a formal assessment process that is undertaken annually. The assessments also consider the adequacy of the Company's induction and continuing education processes, access to information and the support provided by the Secretary. The next formal Board assessment is scheduled to take place at the end of the 2015 calendar year.

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

Board Sub-Committees

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

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

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

Nomination and Remuneration Sub-Committee

The Group's Nomination and Remuneration Sub-Committee consists of Ari Bergman (Chairman), Warren Bingham and Michael Brown. Details of their attendance at meetings of the Sub-Committee are set out in the table above. The Sub-Committee operates in accordance with principles which have been documented in a formal Charter which is available on the Company's website.

Principle 2: Structure the Board to add value (cont.)

Nomination and Remuneration Sub-Committee (cont.)

The main responsibilities of the members of the Nomination and Remuneration Sub-Committee are to:

- conduct an annual review of the membership of the Board, having regard to present and future needs of the Company and to make recommendations on Board composition and appointments;
- conduct an annual review of, and conclude on the independence of, each Director;
- propose candidates for Board vacancies;
- oversee the annual performance assessment program;
- oversee Board succession, including the succession of the Chairman, and review whether succession plans are in place to maintain an appropriately balanced mix of skills, experience and diversity on the Board;
- ensure that appropriate processes are in place and that appropriate independent advice is sought to support the Board in assessing the performance, and reviewing the remuneration of, the Chief Executive Officer;
- ensure that appropriate processes are in place and that appropriate independent advice is sought to support the Board in ratifying the appointment and/or removal of and contributing to the performance assessment for key members of the Executive Team; and
- assess the effectiveness of the induction process.

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

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

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

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

Principle 3: Promote ethical and responsible decision making

Code of conduct

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

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

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

Principle 3: Promote ethical and responsible decision making (cont.)

Code of conduct (cont.)

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

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

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

Principle 4: Safeguard integrity in corporate reporting

Audit and Risk Sub-Committee

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

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

The main responsibilities of the members of the Sub-Committee are to:

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

Principle 4: Safeguard integrity in corporate reporting (cont.)

Audit and Risk Sub-Committee (cont.)

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

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

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

External auditors

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

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

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

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

Principle 5: Make timely and balanced disclosure

Continuous disclosure and shareholder communication

The Company is in the final stages of drafting a Continuous Disclosure Policy that will document its principles, policies and procedures regarding the disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities. Once complete, this policy will include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. This policy will be made available on the Company's website.

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

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

Principle 6: Respect the rights of security holders

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

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

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

Principle 7: Recognize and manage risk

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

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

The Sub-Committee reviews the Plan on a regular basis and monitors the Company's risk management by overseeing Management's actions in the evaluation, management, monitoring and reporting of material operational, financial, compliance and strategic risks. In providing this oversight, the Audit and Risk Sub-Committee:

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

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

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

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

Risk management group

The Company's risk management policies and the operation of the risk management and compliance system are managed by the Company's risk management group which consists of selected senior executives and is chaired by the Chairman of the Audit and Risk Sub-Committee. The Board receives reports from this group as to the effectiveness of the Company's management of material risks that may impede or impact on the Company's ability to meet its business objectives. To assist in this regard, as stated above, a comprehensive Enterprise Risk Plan for the Company was prepared during the year ended June 30, 2015 and adopted by the Board.

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

Principle 7: Recognize and manage risk (cont.)

Corporate reporting

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

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

Exposure to other risks

As at the date of this Financial Report, the Board does not believe that the Company has a material exposure to any economic, environmental or social sustainability risks.

Principle 8: Remunerate fairly and responsibly

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

Each member of the Executive Team signs a formal employment contract at the time of his or her appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description. This job description is reviewed by the Nomination and Remuneration Sub-Committee on a regular basis and, where necessary, is revised in consultation with the relevant employee. The Sub-Committee also reviews independent benchmarking surveys to assess the prevailing market rates when providing the Board with the necessary background information for setting the CEO and key Executive salaries for the coming financial year.

Further information on Directors' and Executives' remuneration for the year ended June 30, 2015 is set out in Note 23 to the financial statements. In accordance with Group policy, participants in equity-based remuneration plans are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements.

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

SIMAVITA LIMITED

CORPORATE INFORMATION

Directors

Michael W. Brown (*Non-Executive Chairman*)

Philippa M. Lewis (*Chief Executive Officer*)

Ari B. Bergman (*Non-Executive*)

Warren R. Bingham (*Non-Executive*)

Damien M. Haakman (*Non-Executive*)

Craig J. Holland (*Non-Executive*)

Company Secretary

Thomas G. Howitt

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

Head Office

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North Sydney NSW 2060
Australia

Telephone: +61 2 8405 6300

Facsimile: +61 2 8088 1301

Email: customerservice@simavita.com

Company website

www.simavita.com

Australian Registered Business Number

165 831 309

Banker (Canada)

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

Banker (Australia)

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

Banker (USA)

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

Auditor

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

Stock Exchanges

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

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

Common Share Register

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

Telephone: +1 604 661 9400

Facsimile: +1 604 661 9549

Website: www.computershare.com

CDI Register

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

Telephone: +61 3 9415 5000

Facsimile: +61 3 9473 2500

Website: www.computershare.com.au



Independent Auditor's Report

To the Shareholders of Simavita Limited

We have audited the accompanying consolidated financial statements of Simavita Limited and its subsidiaries, which comprise the consolidated statements of financial position as at 30 June 2015 and 30 June 2014 and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Simavita Limited and its subsidiaries as at 30 June 2015 and 30 June 2014 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers, ABN 52 780 433 757

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Emphasis of matter

Without qualifying our opinion, we draw attention to note 3(a) in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

(Signed) “PricewaterhouseCoopers”

PricewaterhouseCoopers
Chartered Accountants

20 August 2015
Melbourne

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Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Introduced 01/07/14

Name of entity

SIMAVITA LIMITED

ARBN

165 831 309

Financial year ended

30 June 2015

Our corporate governance statement² for the above period above can be found at:³

these pages of our annual report: **Pages 56 to 66, inclusive**

this URL on our website: _____

The Corporate Governance Statement is accurate and up to date as at [*insert effective date of statement*] and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date here: **20 August 2015**

Sign here:

PHILIPPA M. LEWIS
Director

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

⁺ See chapter 19 for defined terms.

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Key to Disclosures Corporate Governance Council Principles and Recommendations

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<u>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</u>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: _____ <i>Insert location here</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input type="checkbox"/> at this location: _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

+ See chapter 19 for defined terms.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

+ See chapter 19 for defined terms.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
		<i>Insert location here</i>	
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
<p>2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>www.simavita.com</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p>... the fact that we follow this recommendation:</p> <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	<p>... our code of conduct or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: www.simavita.com <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those	<p>[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this location: www.simavita.com <i>Insert location here</i> ... and the information referred to in paragraphs (4) and (5): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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	meetings; OR (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	<input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR at this location: <i>Insert location here</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at this location: www.simavita.com <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <i>Insert location here</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk,	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to	<input type="checkbox"/> an explanation why that is so in our Corporate

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	<p>each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>www.simavita.com</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p>Governance Statement</p>
<p>7.2</p>	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; OR</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p>	<p>[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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	<p>(4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>... and a copy of the charter of the committee: X at this location: www.simavita.com <i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5): X in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i></p>	
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: X in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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