

Simavita (SVA) - BUY - \$0.56/Share Price Target

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Growing Old Gracefully

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Executive Summary

Simavita (SVA)

- **Research Initiation.** We assume research coverage of **Simavita (SVA) with a BUY rating and a \$0.56/share price target**, assuming a base line of customer contract wins over coming years across North America, Australia and Europe. Under our base case scenario, the risk/reward outlook over a medium term investment horizon appears favourable, while acknowledging execution risk. Our target price is our base case DCF valuation (\$1.00/share), grown 12 months by the cost of equity, with a 50% discount applied to reflect: (1) uncertainty around new technology adoption; and (2) execution risk around new customer wins.
- **Background.** SVA is a digital healthcare company focused on wearable device technology & software to improve incontinence management for the elderly. SVA has developed a patented smart incontinence management (SIM) system, comprising sensor technology and software to improve incontinence care for patients. The primary customer base near term are aged care facilities. The SIM platform comprises disposable wireless sensor incontinence pads worn by the patient over a 72 hour assessment period to detect, measure and report incontinence data patterns. The SIM software then automatically creates a tailored incontinence care plan and recommends the most appropriate incontinence pads for the patient. SVA is rolling out the SIM platform in Australia, United States, Canada and Europe, through: 1) direct sales, 2) distributors, and 3) integrating SIM software with electronic health record (EHR) systems.

Investment Thesis

- **Evidence Based Healthcare.** Government funding for aged care operators is increasingly determined by evidence based care requirements. Data based incontinence assessments may improve government subsidy claims for aged care operators who provide care for residents e.g. Aged Care Funding Instrument (ACFI) in Australia.
- **Demonstrable Cost Savings.** Labour is the largest component of an aged care operators cost base, representing ~70% of annual operating costs. Toileting and changing patients accounts for +25% of a carers' time. The SIM platform improves toileting schedules and product selection. Key benefits include: 1) reduced 'over toileting' of patients, 2) less consumable costs with better product selection (high, medium, low absorption pads) & less pad changes, plus 3) less skin care, laundry & cleaning costs.
- **Improved Patient Care.** Less risk of skin lesions, urinary tract infections, patient falls & improved quality of life are key patient benefits using SIM compared to existing practices. Urinary incontinence is a common risk factor for patient falls, which account for ~80% of injuries and premature deaths for residents in aged care facilities. Improved patient care enhances the aged care facility's reputation, which may lead to improved facility occupancy levels.
- **Recurring Revenue Streams.** SaaS revenue model through software licensing agreements, with operators paying a fixed monthly fee for use of the SIM software system. Advantages for SVA are predictable, recurring revenue streams and customers benefit from predictable budgeting, given the fixed fee per month.
- **Leveraged to the Aging Population.** Demographic shift to an aging population is occurring in many western economies. In Australia alone, people aged 85+ are projected to double by 2032. The aging of the population is likely to see increased dementia, driving greater demand for improved incontinence management care.

SVA: Company Overview

Overview

- **History:** Simavita (SVA) listed on the Australian Stock Exchange in Feb 2014 for \$0.41 per CHES Depository Interest.
- **Market:** Around 70% of the residential aged care population has some form of urinary incontinence.
- **Unique Technology:** SVA has developed a Smart Incontinence Management (SIM) System, for the assessment and management of urinary incontinence for the elderly.
- **Strategy:** SVA's growth strategy includes:
 - Roll out of SIM platform in US, Australia and Europe;
 - Expand third party distributors;
 - Develop next generation of SIM;
 - Develop home based SIM product for home care environment

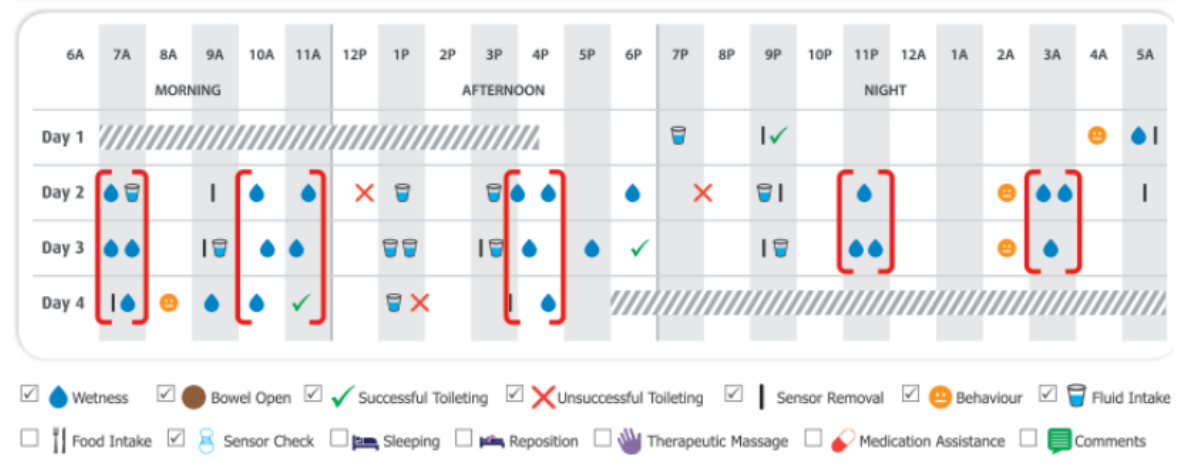
SIM Software Platform



- **SIM Sensor:** Sensor embedded within disposable incontinence pad.
- **SIM Pod:** Records, stores and transmits incontinence data.
- **SIM Software:** Produces patient incontinence care plan and recommended pad on mobile devices (phone, tablets) or desktop.

Customer Base & Distributors

- **Aged care:** Customer base is primarily aged care operators in Australia, US, Canada and Europe. We acknowledge SVA is also targeting the larger home care and rehabilitation hospital markets.
- **Direct & indirect distribution:** SIM platform sold through direct sales force & via 3rd party distributors:
 - **Australia:** Non-exclusive distribution agreements with Bunzl Outsourcing Services and Paul Hartman
 - **US:** Non-exclusive distribution agreement with Medline Industries
 - **Canada:** Non-exclusive distribution agreements with Medline Canada and MedProDirect
 - **Denmark:** Exclusive distribution agreement with Abena to distribute through Denmark.



SVA: Software Platform

The SIM platform is a digital incontinence management system that automatically detects, reports & manages incontinent episodes

SIM Platform Overview



SIM™ sensor:
Pad with integrated sensor
Light (01505)
Moderate (01508)
Heavy (01511)



SIM™ pod
Sensor data acquisition



SIM™ dock
Charges SIM™ pod
PC connectivity via USB



SIM™ assist app
Point of care application for the collection of observational data and for messaging



SIM™ manager
Processes SIM™ sensor data and hosts SIM™ manager web interface

72 Hour Patient Assessment Period

- 1) SIM sensor embedded within a disposable adult incontinence pad and worn by the patient over a 72 hour period. The sensor detects and measures incontinence episodes
- 2) SIM pod is a durable transceiver connected to the sensor which records the incontinence data
- 3) Incontinence data is wirelessly transmitted by wifi and stored in the cloud or a server

Post Assessment Period

- SIM manager software creates a:
 - Tailored incontinence care plan for the patient
 - Recommends the appropriate incontinence pad ie light, medium, heavy absorption
- Patient are re-assessed whenever there is a material change to patient's health or is typically re-assessed every 3-6 months.

SIM Assessment Process



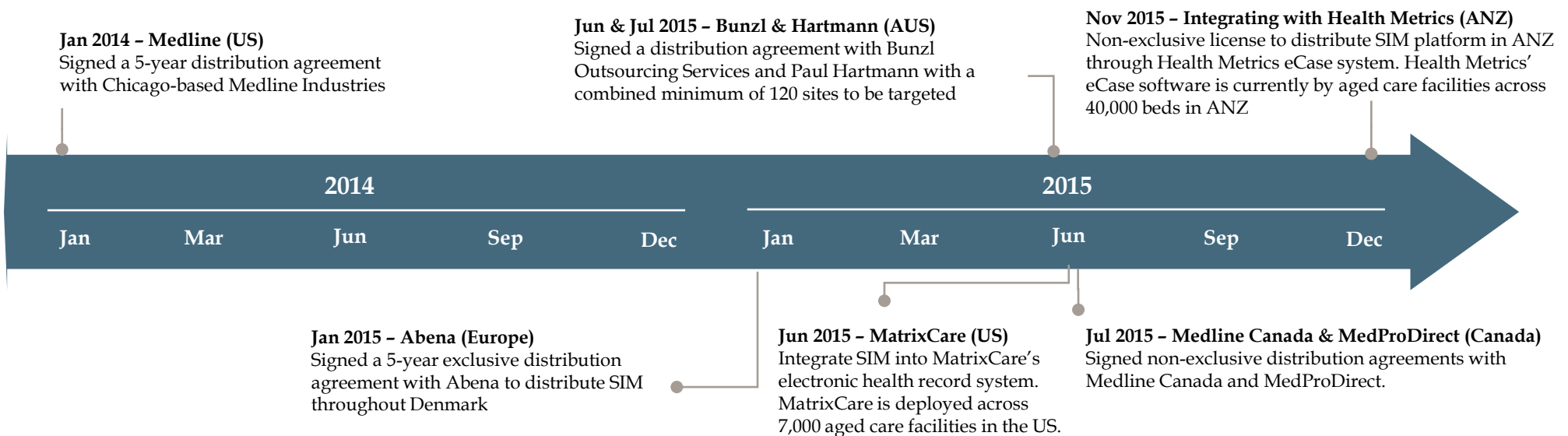
Advantages

- ✓ **Improved patient care:** Less risk of skin lesions, urinary tract infections and falls
- ✓ **Improved labour time allocation:** Labour costs represent ~70% of aged care operators cost base. Improved toileting schedules means carers can allocate more of their time towards more productive patient care activities.
- ✓ **Reduced material costs:** Cost savings via better product selection (high, medium, low absorption pads), and more efficient use of products (less pad changes).
- ✓ **Reduced laundry & cleaning costs:** Improved toileting and product selection should see reduced laundry and cleaning costs for aged care operators.
- ✓ **Improved ACFI claims:** Data based incontinence assessments may improve ACFI claims for aged care operators via evidence of patients toileting requirements.
- ✓ **Improved operator reputation:** improved toileting enhances patient care outcomes and contributes to improved operator reputation. These factors and may influence occupancy levels and care fees

SVA: Route to Market

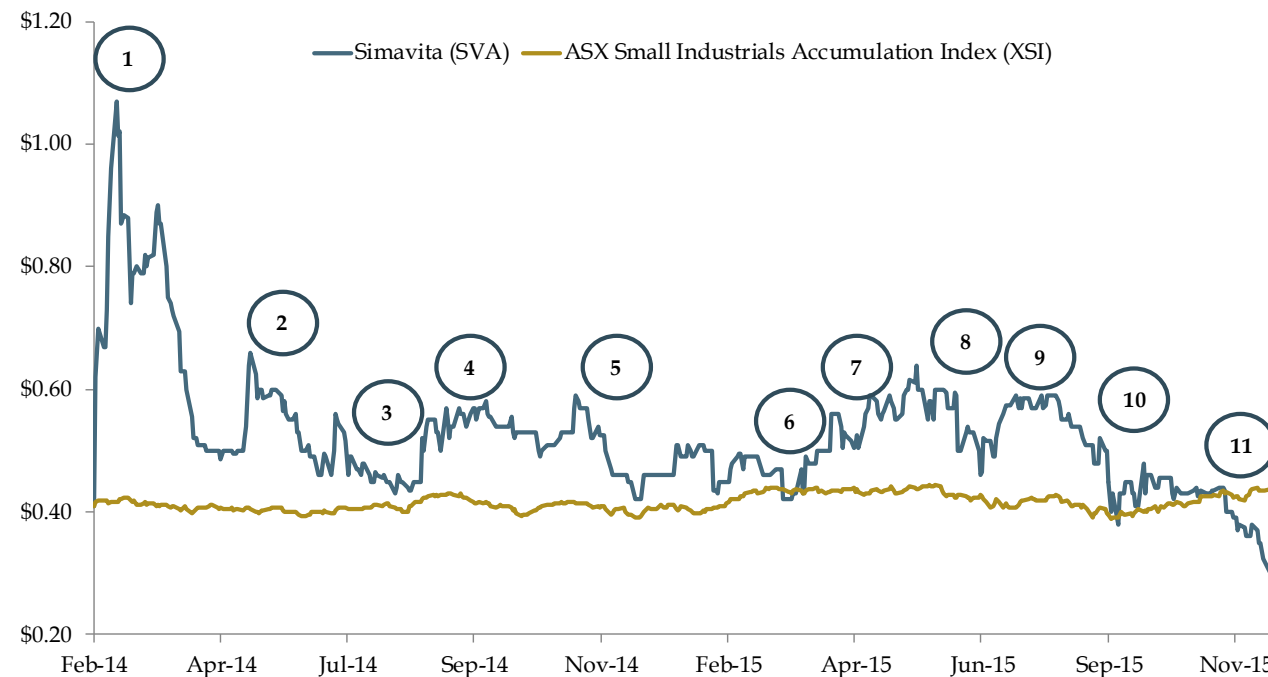
- **Direct Sales.** SVA has a direct sales force of ~10 with plans to grow its sales staff as the group expands its customer base across core geographies.
- **Distributors.** SVA also uses a number of third party distributors, to sell SIM into Australia, US, Canada and Denmark. All distributors are non-exclusive (except Abena in Denmark). An overview of the distributors is outlined below.
- **Electronic Health Care Records:** The SIM software is also being integrated and distributed through third party electronic health record (EHR) systems such as Health Metrics' eCase system in ANZ and MatrixCare in the US. Arrangements should assist SIM penetration amongst aged care operators in these markets.

Distributor	Bunzl	Hartmann	Medline	Medline Canada	MedProDirect	Abena
Country	Australia	Australia	United States	Canada	Canada	Denmark
Arrangement	Non-exclusive	Non-exclusive	Non-exclusive	Non-exclusive	Non-exclusive	Exclusive
Term	3 years	3 years	5 yrs	2 yrs	2 yrs	5 yrs
Commencement Date	Jun-15	Jul-15	Jan'14	Jul'15	Jul'15	Jan'15
No. of Facilities Targeted	70 minimum in year 1	50 minimum in year 1	No-minimum	No-minimum	No-minimum	51



SVA: The Past

Share Price History & Key Events



Event	Date	Details
(1)	Mar-14	1H14 Result
(2)	Apr-14	\$3m private placement \$0.45 per share
(3)	Jul-14	SVA announces first US revenue through Medline distributor
(4)	Aug-14	FY14 Result
(5)	Feb-15	1H15 Result
(6)	Apr-15	Positive results of government SIM trial in Denmark
(7)	Jun-15	Non-exclusive distribution agreement with Bunzl (Aus) & Integration SIM software with MatrixCare EHR system (US)
(8)	Jul-15	Non-exclusive distribution agreement with Hartmann (Aus)
(9)	Aug-15	FY15 Result
(10)	Oct-15	Queensland Department of Health awards funding to Supply SIM for two large public hospitals
(11)	Nov-15	Non-exclusive license to distribute SIM software by integrating with Health Metrics eCase patient care system in ANZ

SVA: The Future

Base Case Scenario

Our base case scenario for forecast sales assumes an all-in-cost for the SIM software platform, being the average price per facility per year, multiplied by the forecast number of facilities using the SIM platform.

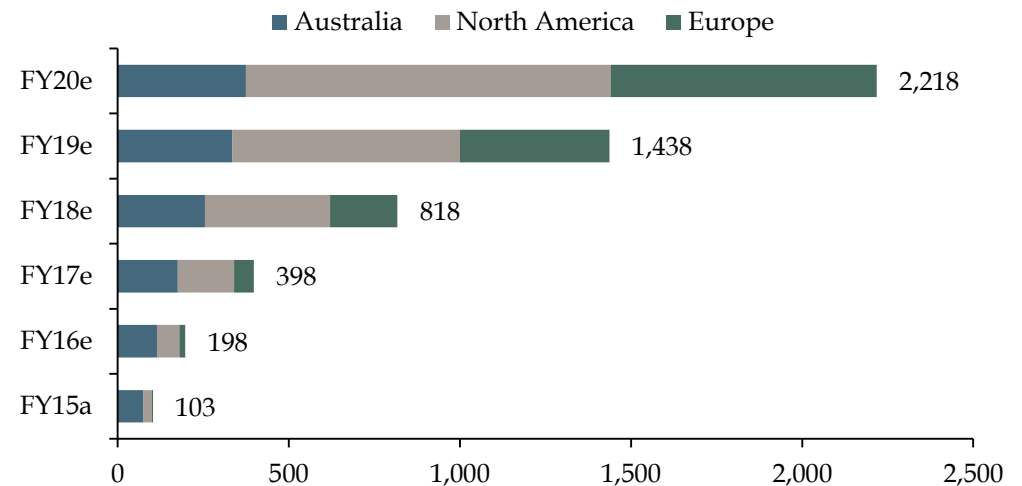
Volume (Number of Facilities)

- Our forecasts focus on aged care facilities only. We acknowledge that SVA is also targeting the larger home care and hospital rehabilitation ward markets, however these markets are not in our forecasts.
- Australia:
~75 facilities currently using or piloting SIM representing ~2% of the Australian aged care market. Our base case assumes 275 facilities penetrated or ~10% market share in Australia achieved by 2019, growing to 15% market share during our 10 year forecast period.
- United States:
~25 facilities currently using or piloting SIM representing or <1% of the US aged care market. Our base case assumes 2,500 facilities representing ~5% market share in the US during our 10 year forecast period.
- Europe:
3 facilities currently in Denmark using or piloting SIM or <1% of the European aged care market. We assume 2,800 facilities representing ~5% market share in Europe during our 10 year forecast period.

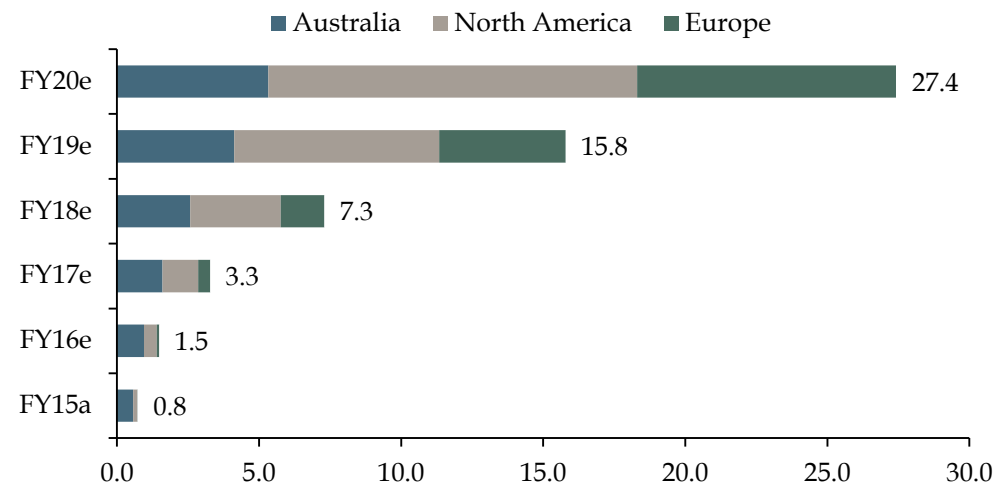
Pricing

- Recurring Revenue:
Software license agreement is a recurring revenue stream paid monthly by the aged care operator. Our all-in-price per facility includes SIM software, hardware (pod transmitters & chargers) and patient consumables (sensor pads) for the 72 hours assessment period.
- FY16 & Beyond:
Average price of A\$10k per facility across the group. Conservative assumption based on SVA's strategy of targeting larger aged care operator groups with +50 facilities. Growing average price to A\$15k/facility across the group by FY20.

Facility Penetration Forecasts (No. of Facilities)



Sales Forecasts (A\$m)



Source: Company reports, Moelis estimates

Competitive Environment

Competitors don't appear to have the integrated workflow & software sophistication to measure, record & produce usable care plans

Competing Products

- Number of incontinence products
- However the competing products we've found are either:
 - × Early stage, still in trials, not commercialised
 - × No automatic or accurate measurement of incontinent events
 - × No automatic usable care plan using accurate data
 - × No automatic product recommendation based on incontinence data
 - × No integration with electronic health record systems

SVA's Competitive Advantages

- The core competitive advantages of the SIM platform in our view include:
 - ✓ Completely integrated workflow system from assessment to care plans
 - ✓ More sophisticated sensor detection & measurement of incontinence events
 - ✓ Automatically creates usable care plans using accurate incontinence data
 - ✓ Integrating with electronic health record systems
 - ✓ Successful pilots across multiple aged care facilities and regions

Closest Competing Product - Tena Identifi

- Closest competing product appears to be Tena Identifi
- Produced by SCA Group (market cap A\$28bn), a Swedish consumer goods company and one of the world's largest producers of incontinence products.
- Tena Identifi appears to have the some short comings compared to SIM:
 - ? 3G only data transmission may have communication/reception challenges within an aged care facility
 - ? Web portal means carers have to log into a separate system to perform assessments
 - ? No integration with third party electronic record systems

SVA Received Promising Feedback in Denmark

- Successful trial in Denmark led to Simavita's first European orders in FY15 .
- Core outcomes from the trial reported to the Danish government include:
 - ✓ 60% of assessed residents now wear a smaller sized pad during the day
 - ✓ Over 25% of assessed residents now wear a smaller sized pad at night
 - ✓ Reduction in the occurrence of urinary tract infection post assessment
 - ✓ Reduction in the number of resident falls post assessment

SVA: Financials - Key Stock Data & Profit & Loss

Profit & Loss (A\$m)

Year Ending Jun	2014a	2015a	2016e	2017e	2018e
Revenue	0.3	0.8	1.5	3.3	7.3
<i>Growth</i>	11%	123%	92%	120%	123%
EBITDA	(11.6)	(10.8)	(8.1)	(1.3)	0.6
<i>Growth</i>	45%	-6%	-25%	-84%	-146%
Dep'n & Amort	(0.1)	(0.1)	(0.2)	(0.4)	(0.6)
EBIT	(11.7)	(11.0)	(8.3)	(1.6)	(0.1)
<i>Growth</i>	43%	-6%	-24%	-80%	-96%
Net Interest Expense	(0.3)	(0.3)	0.1	0.0	0.1
Profit Before Tax	(12.0)	(11.3)	(8.2)	(1.6)	(0.0)
Tax benefit (expense)	1.2	1.5	1.4	0.3	0.0
Tax Rate (%)	10%	13%	17%	16%	17%
Minorities	0.0	0.0	0.0	0.0	0.0
NPAT (Underlying)	(10.8)	(9.8)	(6.8)	(1.4)	(0.0)
<i>Growth</i>	32%	-10%	-31%	-80%	-99%
One-Off Items	0.0	0.0	0.0	0.0	0.0
NPAT (Reported)	(10.8)	(9.8)	(6.8)	(1.4)	(0.0)
EPS (Underlying) (¢)	(16.5)	(12.4)	(7.3)	(1.5)	(0.0)
<i>Growth</i>	32%	-25%	-41%	-80%	-99%
EPS (Reported) (¢)	(16.5)	(12.4)	(7.3)	(1.5)	(0.0)

Base Case Assumptions - FY16 to FY18

- Our base case assumptions for FY16-FY18 are outlined below.
- Our forecasts focus on aged care facilities only. We acknowledge that SVA is also targeting the larger home care and hospital rehabilitation ward markets, however these markets are not in our forecasts.

Volume (Number of Facilities)

- Australia:
Growing from ~75 facilities now to ~250 facilities penetrated by the end of FY18 or ~8% market share.
- United States:
Growing from ~25 facilities now to ~365 facilities penetrated by the end of FY18 or ~1% market share.
- Europe:
Growing from 3 facilities now to ~200 facilities penetrated by the end of FY18 or ~0.5% market share.

Pricing

- Growing from average price of A\$10k per facility now to A\$12k per facility by FY18. Conservative assumption based on SVA's strategy of targeting larger aged care operator groups with +50 facilities.
- Software license agreement is a recurring revenue stream paid monthly by the aged care operator. Our all-in-price per facility includes SIM software, hardware (pod transmitters & chargers) and patient consumables (sensor pads) for the 72 hours assessment period.

SVA: Financials - Balance Sheet & Cash Flow Statement

Balance Sheet (A\$m)

Year Ending Jun	2014a	2015a	2016e	2017e	2018e
Cash	6.8	9.0	1.5	1.3	1.0
Inventory	0.3	0.3	0.7	1.1	1.7
Current Receivables	1.4	1.6	2.6	1.9	2.6
PPE	0.1	0.2	0.4	0.7	1.4
Intangibles	0.1	0.1	0.1	0.2	0.4
Other	0.1	0.2	0.2	0.2	0.2
Total Assets	8.8	11.4	5.4	5.4	7.2
Current Payables	1.0	0.9	1.4	2.3	3.4
ST Debt	0.0	0.0	0.0	0.0	0.0
LT Debt	0.0	0.0	0.0	0.0	0.0
Provisions	0.2	0.4	0.6	1.0	1.8
Other	0.0	0.0	0.0	0.0	0.0
Total Liabilities	1.3	1.2	2.0	3.3	5.2
Net Assets	7.5	10.2	3.4	2.0	2.0
Equity & Reserves	46.7	58.8	58.8	58.8	58.8
Retained Profits	(39.2)	(48.6)	(55.4)	(56.8)	(56.8)
Shareholders Equity	7.5	10.2	3.4	2.0	2.0
Minorities	0.0	0.0	0.0	0.0	0.0
Total Equity	7.5	10.2	3.4	2.0	2.0

Cash Flow Statement (A\$m)

Year Ending Jun	2014a	2015a	2016e	2017e	2018e
EBIT	(11.7)	(11.0)	(8.3)	(1.6)	(0.1)
Dep'n & Amort	0.1	0.1	0.2	0.4	0.6
Net Interest	0.0	0.0	0.1	0.0	0.0
Tax	0.0	0.0	1.4	0.3	0.0
Change in WC	0.0	(0.4)	(0.8)	0.8	0.3
Other	3.2	2.2	0.2	0.4	0.8
Operating Cash Flow	(8.3)	(9.0)	(7.1)	0.2	1.7
<i>Growth</i>	39%	9%	-21%	-103%	798%
Capex	(0.1)	(0.2)	(0.4)	(0.8)	(1.6)
Acquisitions	0.0	0.0	0.0	0.0	0.0
Divestments	0.0	0.0	0.0	0.0	0.0
Other	0.2	0.0	0.0	0.0	0.0
Investing Cash Flow	0.0	(0.2)	(0.4)	(0.8)	(1.6)
Equity Raised	19.4	12.0	0.0	0.0	0.0
Dividends Paid	0.0	0.0	0.0	0.0	0.0
Net Borrowings	(2.4)	0.0	7.6	0.6	(0.1)
Other	(2.7)	(0.6)	0.0	0.0	0.0
Financing Cash Flow	14.4	11.4	7.6	0.6	(0.1)
FX / Non Cash Items	(0.0)	0.0	0.0	0.0	0.0
Change in Cash	6.1	2.2	0.0	0.0	0.0

SVA: Valuation & Recommendation

- We initiate research coverage of Simavita (SVA) with a **BUY rating and a \$0.56/share price target**, assuming a base line of customer contract wins over coming years across North America, Australia and Europe.
- Assuming our base case scenario, the risk/reward outlook over a medium term investment horizon appears favourable, while acknowledging execution risk.
- Our target price is our base case DCF valuation (\$1.00/share), grown 12 months by the cost of equity, with a 50% discount applied to reflect: (1) uncertainty around new technology adoption; and (2) execution risk around new customer wins.

Key DCF Inputs		DCF Valuation		Share Price Target	
Cost of Debt	6.5%	Present Value of Cash Flows	5	DCF Valuation/Share	\$1.00
Equity Risk Premium	6.0%	Terminal Value	79	DCF Grown at the Cost of Equity	\$1.12
Beta	1.10	Enterprise Value	83	Less Forecast 12 Month Dividends	-
Cost of Equity	12.1%	(Net Debt) Cash	9	Raw Share Price Target	\$1.12
WACC	11.3%	Minority Interests	-	Discount applied to reflect execution risk	50%
Perpetuity Weighting	94%	Equity Value	92	12 Month Share Price Target	\$0.56
		No. Shares	92	Upside (downside) to last price	149.6%
		DCF Price/Share	\$1.00	12 Month Yield	0.0%
		Upside (downside) to last price	345.3%	12 Month Capital Return	149.6%
				12 Month Total Return	149.6%

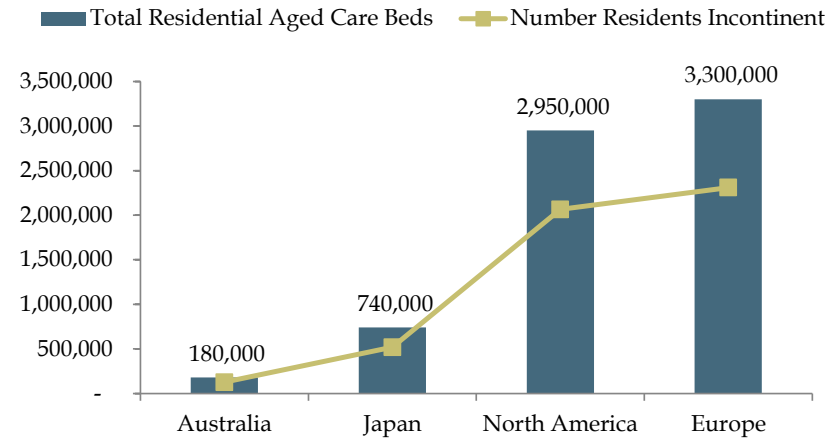
Industry Drivers

<p>1</p> <p>Aging of the Population</p>	<ul style="list-style-type: none"> Demographic shift to an increasing aging of the population. Australian population alone aged 85+ is projected to double by 2032, growing twice as fast (~3.6% CAGR) vs the total population (~1.5%). Increase in dementia is also likely to drive greater demand for high care services such as incontinence management among residents in aged care facilities.
<p>2</p> <p>More Aged Care Places Needed</p>	<ul style="list-style-type: none"> The number of residential aged care places in Australia alone will need to grow by 70,000 places, or almost 40%, to 260,000 places by 2022 to meet projected demand. Around 70% of aged care residents are incontinent, meaning most of the new beds coming to market will have residents needing incontinence management care.
<p>3</p> <p>Evidence Based Healthcare for Aged Care Funding</p>	<ul style="list-style-type: none"> The Australian Federal Government funding provides ~\$11.7bn annually to the aged care sector, contributing ~70% of an aged care operators' revenue. Funding for aged care operators is increasingly determined by evidence-based care requirements. The SIM platform is an evidence-based platform that detects, measures and reports incontinence events for the patient, automatically creating a tailored incontinence care plan for the patient.
<p>4</p> <p>Better Patient Outcomes</p>	<ul style="list-style-type: none"> Less risk of skin lesions, urinary tract infections, patient falls & improved quality of life are core benefits for patients using SIM compared to existing practices. Urinary incontinence is a common risk factor for patient falls, which account for ~80% of injuries and premature deaths for residents in aged care facilities.
<p>5</p> <p>Higher Standards Expected by Families</p>	<ul style="list-style-type: none"> Families of the elderly are demanding higher quality care for their loved ones. The SIM platform is a readily available solution to incontinence management with clear benefits for the patient and the aged care operator.

Industry Drivers

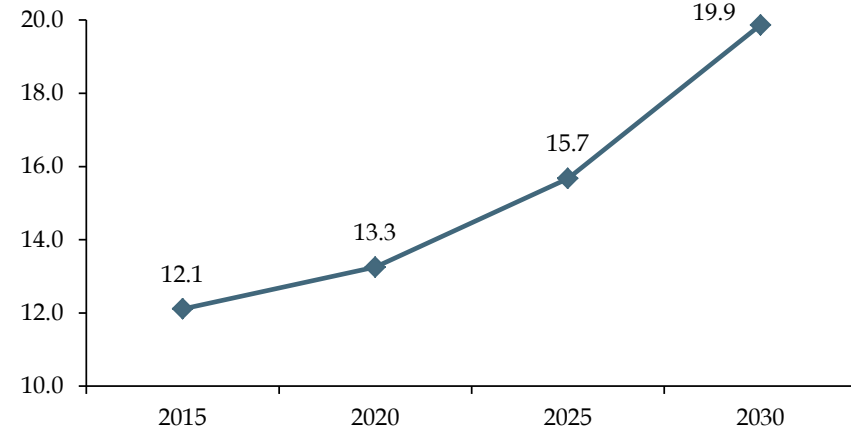
Demand for incontinence management underpinned by a rapidly ageing population & increased dementia rates

Current Aged Care Beds & Incontinent Residents



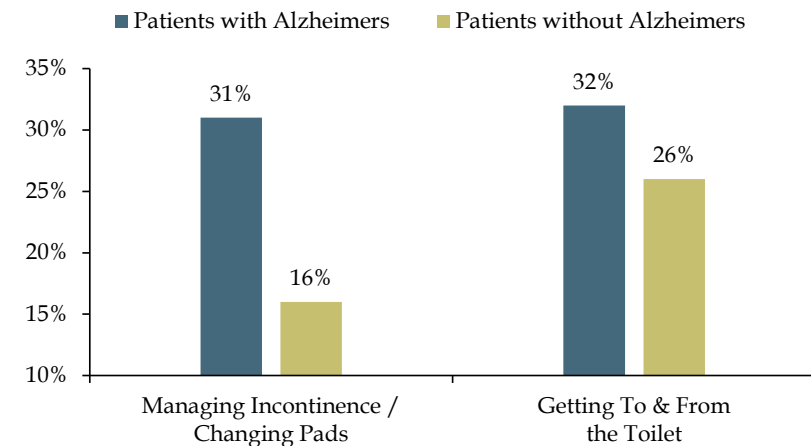
Source: SVA reports, Moelis estimates. Assumes 70% aged care residents incontinent.

Projected US Population Aged 80+ Forecast (Millions)



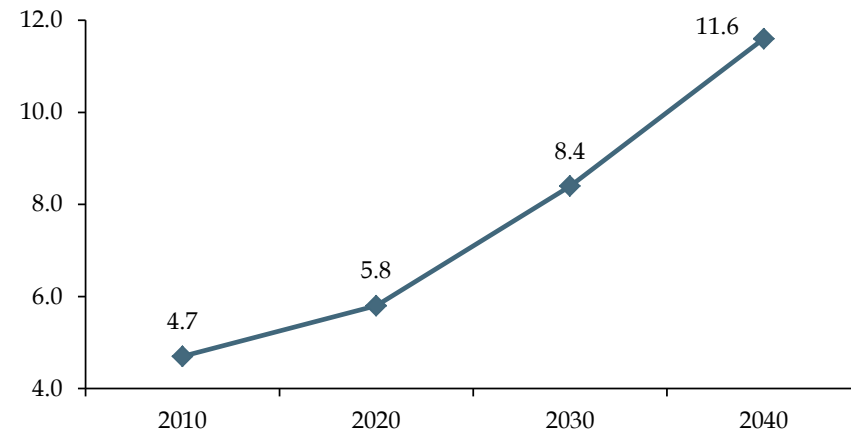
Source: US Census Bureau

Carer Time Devoted to Managing Incontinence for the Aged



Source: US Alzheimer's Association

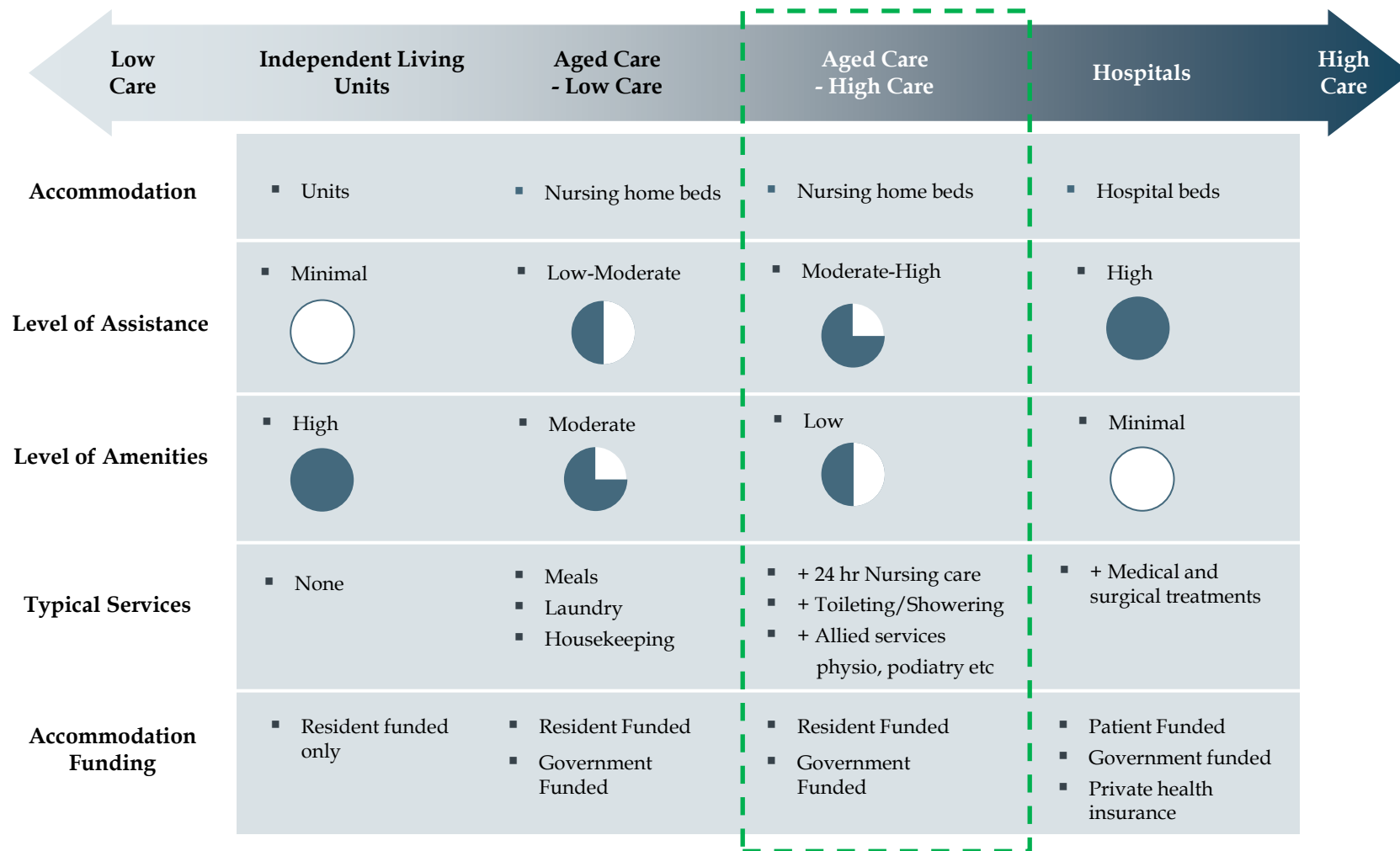
Projected US Population with Alzheimer's Disease (Millions)



Source: US Alzheimer's Association

Customer Base - Residential Aged Care Spectrum

- Spectrum of accommodation depends on a mix resident care level required, resident affordability, resident living preferences
- Level of government subsidies increases broadly in line with the level of care/assistance needed
- Residential aged care provides accommodation and care for the elderly who are unable to live independently yet don't need acute hospital care
- The SIM platform is targets primarily high care patients in aged care facilities currently



Customer Base - Residential Aged Care Snapshot

Customer base underpinned by strong demographic tailwinds

Summary

- **Residential Aged Care:** Accommodation & care services for the elderly who are unable to live independently, yet don't need acute hospital care
- **Demand:** Favourable population demographics with the Australian population aged 85+ expected to double by 2032, then double *again* by 2046
- **Supply:** Additional supply of +70,000 aged care places required by 2022 to meet demand, or +3.5% CAGR
- **Fragmented:** +1,100 operators nationally, highly fragmented with ~60% operators having single facilities, ~30% operating two to six facilities and ~10% operating seven or more facilities
- **Barriers to Entry:** Regulatory and licensing requirements for operators, Government-controlled allocation of aged care places, significant initial capital investment and access to appropriately skilled staff
- **Funding:** Government funding represents ~68% of a typical operator's revenue per year on average

Key Industry Statistics

- **Revenue:** Annual Australian industry revenue ~\$14bn/yr
- **Facilities:** Around 2,700 aged care facilities nationally
- **Places:** +190,000 aged care places, more than double the size of the hospital sector with almost 90,000 beds
- **Expected Places Growth:** 3.5% CAGR to 2022, or another +70,000 places
- **Operators:** +1,100 aged care operators nationally
- **Ownership of Places:** Not-for-profit operators 57%; private operators 37%; Government 6%
- **Average Resident Entry Age:** 84 years
- **Average Resident Duration:** 2.8 years
- **Government Funding:** ~\$11bn, representing ~70% of operator revenue

Board & Senior Management

Board	Background
Michael W. Brown <i>Chairman & Non-Executive Director</i>	<ul style="list-style-type: none"> Current Director and Chairman: Integrated Equity, a Melbourne-based investor and corporate advisory firm Extensive career in funds management, operating within both listed and private equity markets
Ari B. Bergman <i>Non-Executive Director</i>	<ul style="list-style-type: none"> Current General Counsel and Company Secretary: Spotlight Group of Companies Previously: worked with his late father, Dr Fred Bergman, in the early stages of development of the SIM technology
Warren R. Bingham <i>Non-Executive Director</i>	<ul style="list-style-type: none"> Current Chairmanships: AusMedtech National Advisory Group, Health Economics Expert Panel as well as the MedTech/Lifesciences Subcommittee of the Australia/Israel Chamber of Commerce and Israel Trade Commission Experienced in the field of medical devices and technologies, with expertise in both domestic and international markets
Damian M. Haakman <i>Non-Executive Director</i>	<ul style="list-style-type: none"> Current Director: private family office, investing in property ventures as well as start-up and pre-listed companies Member of the Australian Institute of Company Directors
Craig J. Holland <i>Non-Executive Director</i>	<ul style="list-style-type: none"> Current Director: Menarock Aged Care Services Group, a large privately-owned retail company and two not-for-profit charities Previously: served as Deloitte Private's Chief Operating Officer prior to his retirement from the company in 2012
Senior Management	Background
Philippa M. Lewis <i>CEO & Executive Director</i>	<ul style="list-style-type: none"> 30 years experience in retail, healthcare, construction, international technology transfer, import, distribution and manufacturing Previously: CEO and founder of Sanicare, an Australasian import and distribution business for adult incontinence products
Thomas G. Howitt <i>CFO & Company Secretary</i>	<ul style="list-style-type: none"> 20 years financial management experience Previously: CFO for a number of public companies on the ASX and foreign stock exchanges
Peter J. Curran <i>CTO</i>	<ul style="list-style-type: none"> 30 years experience in engineering, operations and commercial management Previously: Held executive management positions in manufacturing and commercial management within the electronics industry
Christopher R. Southerland <i>VP - US Sales & Marketing</i>	<ul style="list-style-type: none"> 25 years experience in medical device, diagnostic and biotech companies Previously: Director of Sales for Binax Inc., a medical diagnostics manufacturer
Charles B. Cornish <i>Director - ANZ Sales & Marketing</i>	<ul style="list-style-type: none"> Sales and marketing experience within the field of healthcare Previously: Managing Director of Ontex ANZ, a global producer of disposable hygiene products
Paul Won <i>VP - Manufacturing & Supply Chain</i>	<ul style="list-style-type: none"> Holds a degree in electrical engineering and a masters degree in management Previously: Held senior management positions in manufacturing and supply chain management
Edward W. Nixey <i>General Counsel</i>	<ul style="list-style-type: none"> 15 years experience advising publicly-listed entities in commercial and corporate law Previously: Partner at K&L Gates, a US-based global law firm

Key Risks

Risk	Commentary
<i>Competition Risk</i>	Risk of a larger company with greater capital resources commercialising a similar product and an existing distribution network is a key competitive risk to the SIM platform.
<i>Intellectual Property Risk</i>	Patent protection is limited to some extent. It may be possible for competitors to develop products designed around patent specifications.
<i>Regulatory Risk</i>	Changes to government funding for the health & aged care sectors may impact aged care operator funding, which may in turn impact demand for the SIM platform.
<i>Partner Risk</i>	Selecting appropriate distribution partners is crucial to the success of the SIM technology. The possibility always remains for a partnership agreement to underperform or fall through.
<i>Financial Risk</i>	SVA is currently unprofitable. Ability to raise future capital is a risk and is dependent on investor perception of SVA's ability to grow its customer base.
<i>Currency Movements</i>	US and Europe are core target markets for SVA. Changes in the in the AUD/USD and AUD/EUR exchange rates may impact SVA's translation of foreign sales.

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DISCLOSURE APPENDIX

ANALYST CERTIFICATION

COMPANY SPECIFIC DISCLOSURES

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Distribution of Ratings as at 9 December 2015

SELL	HOLD	BUY
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Rating and Price Target History: Simavita Ltd (SVA) as of 08/12/2015



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