

## Appendix 4E Preliminary Final Report

Name of entity            Analytica Limited  
ABN                            12 006 464 866

### 1. Reporting Period

Report for the financial year end	30 June 2020
Previous corresponding reporting period	30 June 2019

### 2. Results for announcement to the market

	\$	Percentage increase/(decrease) over previous corresponding period
Revenue from ordinary activities	809,919	(2)
Profit/(loss) from ordinary activities after tax attributable to members	(1,620,156)	(21)
Net profit/(loss) for the period attributable to members	(1,620,156)	(21)
<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Record date for determining entitlements to dividend	Not applicable	
<b>Brief explanation of any of the figures reported above necessary to enable the figures to be understood</b>		
Reduction in R & D that is claimable for tax rebate in 2016 reduced tax rebate in 2017. Reduction in costs. Company focus was on R & D and limited marketing.		

- 3. Income Statement**            Refer to Attachment A
- 4. Balance Sheet**            Refer to Attachment A
- 5. Statement of Changes in Equity**            Refer to Attachment A
- 6. Cash Flow Statement**            Refer to Attachment A

## 7. Dividends

<b>Date dividend is payable</b>	Not applicable
<b>Record date to determine entitlement to the dividend</b>	Not applicable
<b>Amount per security</b>	Not applicable
<b>Total dividend</b>	Not applicable
<b>Amount per security of foreign sourced dividend or distribution</b>	Not applicable
<b>Details of any dividend reinvestment plans in operation</b>	Not applicable
<b>The last date for receipt of an election notice for participation in any dividend reinvestment plans</b>	Not applicable

## 8. Statement of retained earnings

Consolidated Entity		
	<b>2020</b>	<b>2019</b>
<b>Balance at the beginning of the year</b>	(103,132,370)	(101,563,734)
<b>Net profit attributable to members of the parent entity</b>	(1,620,156)	(2,054,174)
<b>Transfer from option reserve</b>	26,296	485,538
<b>Balance at end of the year</b>	(104,726,230)	(103,132,370)

## 9. Net tangible assets per security

	<b>Current period</b>	<b>Previous corresponding period</b>
<b>Net tangible asset backing per ordinary security</b>	\$(0.00002)	\$0.0005

## 10. Details of entities over which control has been gained or lost during the period

Not applicable

## 11. Details of associated and joint venture entities

<b>Name of associate or joint venture entity</b>	<b>% Securities held</b>
PeriCoach Pty Ltd	100
Analytica Operations Pty Ltd	100
Analytica Export ME Pty Ltd	100

# Analytica Limited

ABN 12 006 464 866

ANNUAL REPORT

YEAR ENDED 30 JUNE 2020



## Table of Contents

---

# Table of Contents

Directors Report	1
General information	1
Information on directors	1
Dr Michael Monsour	1
Dr. Peter B. Corr.	2
Dr Thomas Lönngren.	2
Mr Ross Mangelsdorf	3
Board Composition	4
Principal activities and significant changes in nature of activities	4
Operating results and review of operations for the year	4
Operating results	4
Review of Operations	4
Financial Review	11
Financial position	11
Other items	11
Significant changes in state of affairs	11
Changes in the controlled entities and divisions	12
Events after the reporting date	12
Environmental issues	12
Future developments and results	12
Non-audit services	12
Auditors independence declaration	13
Company secretary	13
Meetings of directors	13
Employees	14
Options	14
Remuneration report (audited)	15
Corporate Governance	21
Key Management and Staff	26
Geoff Daly, Chief Executive Officer	26

## Table of Contents

---

Chelsea Cornelius – Product Development and Operations Manager _____	26
Megan Henken – VP Global Marketing _____	26
Auditor’s Independence Declaration _____	27
Consolidated Statement of Profit or Loss and Other Comprehensive Income _____	28
Consolidated Statement of Financial Position _____	29
Consolidated Statement of Changes in Equity _____	30
Consolidated Statement of Cash Flows _____	31
Notes to the Financial Statements _____	32
1: Summary of Significant Accounting Policies _____	32
2. Result for the year _____	52
Revenue from continuing operations _____	52
Expenditure _____	52
3. Income Tax _____	53
4. Key management personnel options and rights holdings _____	54
4. Key management personnel shareholdings _____	56
5 Remuneration of Auditors _____	56
6 Earnings per Share _____	57
7 Cash and cash equivalents _____	57
8 Trade and other receivables _____	58
9 Inventories _____	58
10 Other financial assets _____	58
11 Property, plant and equipment _____	59
(a) Movements in carrying amounts of property, plant and equipment _____	59
12 Intangible Assets _____	60
13 Other assets _____	60
14 Trade and other payables _____	61
15 Provisions _____	61
16 Employee Benefits _____	61
17 Reserves _____	62
Share option reserve _____	62
18 Issued Capital _____	62
(b) Options _____	63
(c) Capital Management _____	63

## Table of Contents

---

19 Contingencies	63
20 Operating Segments	63
Segment information	63
Geographical information	66
21 Cash Flow Information	66
22 Share-based Payments	67
23 Related Parties	67
The Group's main related parties are as follows:	67
Transactions with related parties	68
24 Financial Risk Management	68
Specific risks	68
Financial instruments used	68
Objectives, policies and processes	69
Liquidity risk	69
Market risk	70
Credit risk	71
25 Fair Value Measurement	72
Financial assets	72
26 Events Occurring After the Reporting Date	72
27 Company Details	73
Directors' Declaration	74
Independent Auditor's Report	75
ASX Additional Information	80
Substantial shareholders	80
Distribution of equity security holders	80
Twenty largest share holders	80
Voting rights	81
Ordinary Shares	81
Options	81

# Directors Report

## General information

### Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are as follows. Directors have been in office since the start of the year to the date of this report unless otherwise stated.



#### Dr Michael Monsour

MBBS-HONS, FACRRM, FAICD

Chairman of the Board (appointed 28 June 2004). Length of service 16 years.

Dr Michael Monsour is a Medical Practitioner with extensive interests in Queensland medical centres. Michael Monsour graduated from the University of Queensland in 1977 in medicine with honours. He operates a medical management company, which provides management support to medical practitioners. He is the principal of Godbar Software (established 1988) which is one of the leading software developers of Occupational Health, Safety and Medical Accounting software packages in Australia.

### Interest in shares and options, Direct and indirect

- Dr MP Monsour ordinary shares – 4,180,999
- MPAMM Pty Ltd ordinary shares – 233,042,390
- Halonna Pty Ltd ordinary shares – 482,604,890
- MP Monsour Medical Practice Pty Ltd ordinary shares – 156,379,178

### Other related parties

- Ordinary shares 4,071,208

### Unlisted options

- 20,000,000 @ 1.30c expires 21/12/2021



### Dr. Peter B. Corr.

Non-Executive Director (appointed 23 May 2017) Length of service 3 years.

Received his doctorate from Georgetown University School of Medicine.

Dr. Corr has extensive experience in the discovery and development of medicines as well as the sale of assets to major multinational corporations. Dr. Corr co-founded and is Managing General Partner of Auen Therapeutics, a private equity firm pursuing a life science investment strategy where products are acquired, developed and then sold to multinational pharmaceutical firms. Dr. Corr was previously a Professor of Medicine and Pharmacology at Washington University for 18 years. He then joined Searle as Senior VP of Discovery Research, and subsequently was President of Research and Development at Warner Lambert / Parke Davis and then President, worldwide Development at Pfizer, and Corporate Senior Vice President of Science and Technology at Pfizer.

Dr Corr is currently Co-Founder and Chairman of ImVax Inc. and Chairman of the board of Lakewood-Amedex Inc.

## Interest in shares and options

### Indirect

- INOV8 LLC - Ordinary shares 360,790,157

### Unlisted options

- 10,000,000 @ 1.30c expires 30/11/2022



### Dr Thomas Lönngren.

Non-Executive Director (resigned 17 August 2020)

Thomas is the former Executive Director of the European Medicines Agency, EMA (Jan 01-Dec 10) he previously served with the Swedish Medical Products Agency (MPA) as Director of Operations (1978-93) and Deputy Director General, (Jan 93 – Dec 00). Thomas established the EMA from a small unknown agency in 2001 to a world-renowned regulatory agency in 2011 and was responsible for all of its operations.

He is currently Director of his own independent consultancy company PharmaExec Consulting AB, Sweden giving strategic advice to the healthcare, pharmaceutical/Biotech and medical device industry in the areas of Drug Development, Regulatory Affairs and Market Access. Through his consultancy his main work is for the NDA Group where he has for the past 4 years been active in Cambridge, Boston US advising biotech



companies on getting regulatory approval and market access in EU and he is frequently invited to speak at conferences around the world.

Currently he is a board member of Global Kinetics Corporation in Melbourne Australia, Analytica in Brisbane Australia, and Compass Pathways London, UK. He is a faculty member of Gerson Lehrman Institute (GLG), The Centre for Innovation in Regulatory Science (CIRS), Scientificmed AB, Sweden, Molecular Warehouse, UK and ReNeuron UK. Thomas is an Honorary Member of the Royal Pharmaceutical Society of Great Britain, Honorary Fellow of the Royal College of Physicians of Great Britain, Honorary Doctor of Uppsala University, Sweden and Honorary Doctor of the University of Bath, United Kingdom.

### Interest in shares and options

#### Unlisted options:

- 10,000,000 @ 1.62c expires 10/12/2020
- 10,000,000 @ 1.30c expires 21/12/2021



#### Mr Ross Mangelsdorf

B.Bus, FCA, CTA, MAICD

Executive Director (appointed 7 October 2008) Length of service 11 years

Mr Mangelsdorf performs the function of Chief Financial Officer.

Mr Mangelsdorf is a Director/partner of a chartered accounting firm for 38 years. He works with SME production, manufacturing and retail firms assisting with business, taxation and management services.

### Interest in shares and options, direct and indirect

- RJ Mangelsdorf - Ordinary shares 348,763
- RJ & JM Mangelsdorf - Ordinary shares 348,763
- Tambien Pty Ltd - Ordinary shares 67,685,119
- Edmonmont Pty Ltd – Ordinary shares 39,515,600

#### Other related parties

- Ordinary shares 3,555,820

#### Unlisted options

- 10,000,000 @ 1.30c expires 21/12/2021
- 10,000,000 @ 1.30c expires 30/11/2022

## Board Composition

Analytica has board skills that cover extensive pharmaceutical industry experience and development of products, general medical practitioner supporting women's health, financial, business and management experience.

All current directors hold significant shares in Analytica and are therefore not considered independent.

## Principal activities and significant changes in nature of activities

The principal activities of the Group during the year were:

- The development of strategies on commercial sales of PeriCoach;
- The development of intellectual property of medical device and mobile health application in relation to patents and systems in the pelvic floor exercise field (PeriCoach);
- The development of intellectual property in the medical device field in relation to patents in the burette field (AutoStart/Flush Enhanced Infusion System);
- The development of strategies for commercial sales of burette products;
- There were no significant changes in the Group's principal activities during the year.

## Operating results and review of operations for the year

### Operating results

The consolidated loss of the Group amounted to \$1,620,156 (2019: loss \$2,054,174), after providing for income tax. This represented a decrease on the loss of \$434,018 result reported for the year ended 30 June 2019 of \$2,054,174. Decrease for market development of \$226,420 to \$131,640 (2019: \$358,060). Research and development expenditure decreased by \$186,271 to \$1,471,647 (2019: \$1,657,918) was incurred due to the continued development of the PeriCoach system. Administration costs increased by \$51,628 to \$797,343 (2019: \$745,715).

### Review of Operations

#### PeriCoach

Executing the commercialisation strategy for the PeriCoach is focussed on the following milestones:

- Building 'best-in-class' conservative treatment for pelvic floor conditions, with a particular focus on urinary incontinence.
- Validate and extend clinical credibility and effectiveness of PeriCoach.
- Confirming market acceptance while creating a positive sales environment.

- Securing a competitive partnering agreement with companies with the resources to make the PeriCoach a global success.

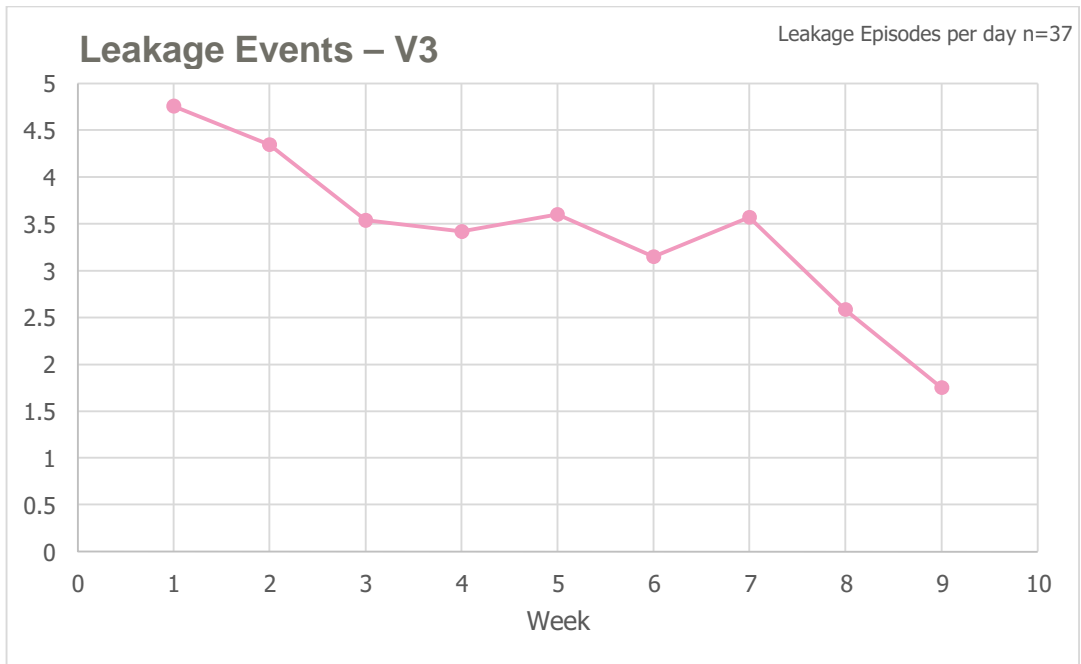
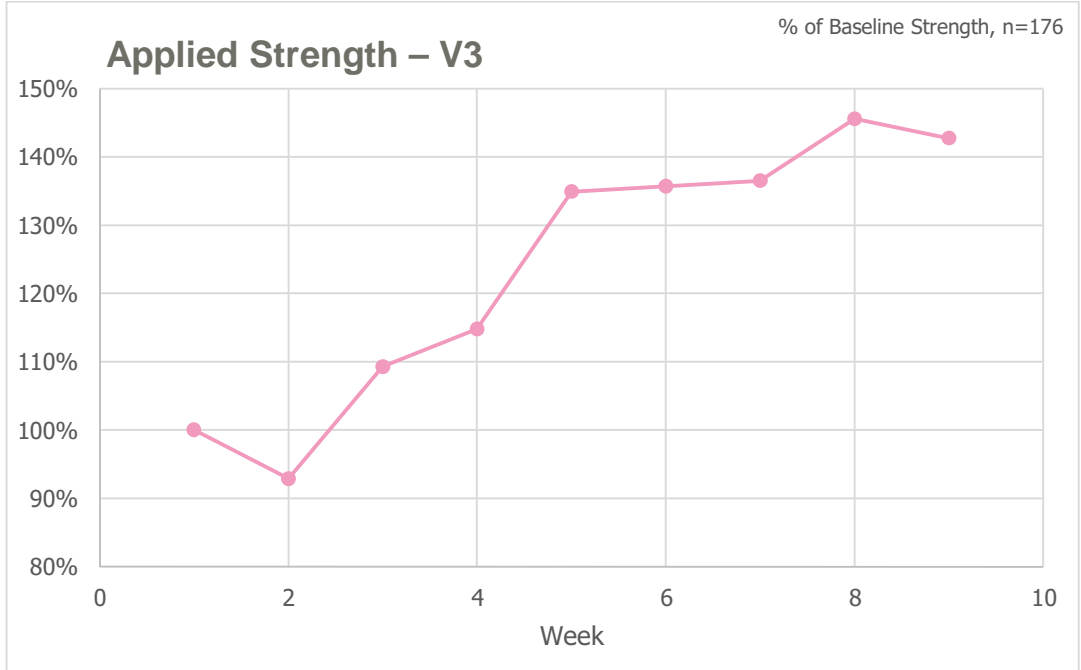
### Best-In-Class

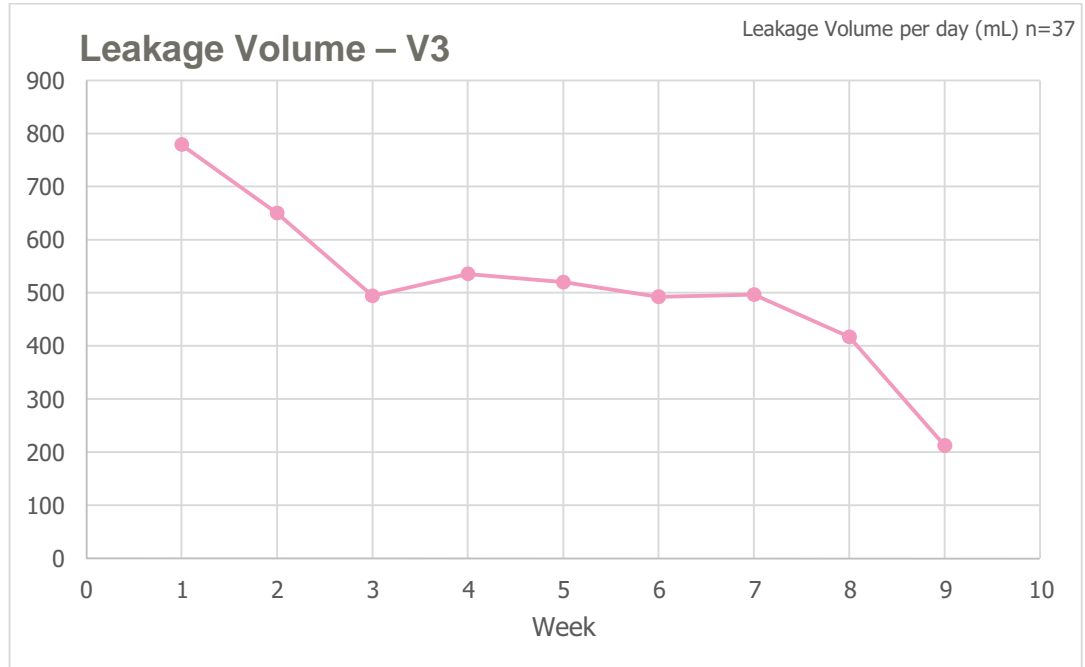
- The PeriCoach system qualifies for the Australian Government's Research and Development Tax incentive. The company continues to make substantial investment in the PeriCoach to establish this unique approach as 'best in class'. As a result of this investment Analytica received a \$708,447 refund for 2019 year. Substantial investment in the development of PeriCoach has continued through 2019- 2020. The board strongly believe development must continue to secure and enhance the partnering value of the PeriCoach.
- The PeriCoach is a sophisticated medical device designed to collect valuable behavioural and performance data during treatment of pelvic floor dysfunction that has not been available previously outside of a clinical environment. The Australian limited market release in 2014 identified opportunities to improve ease of use, connectivity and responsiveness. These enhancements were incorporated in Version 2 of the PeriCoach. The company has continued to collect data and identified further enhancements to the PeriCoach, which include monitoring, and biofeedback capabilities. These additional features have been incorporated and introduced with the release of Version 3 of PeriCoach in 2017. As a result of continuing feedback from users and research organisations, Version 4 is close to release.
- The intuitive and patent-protected design of the PeriCoach incorporates sensors which provide an ongoing flow of data collected in real-time. This data is transmitted to Analytica's proprietary cloud database for further analysis. The PeriCoach smartphone app simplifies the sensor information providing immediate feedback to the user which drives performance and motivation. The development of the software, sensor hardware and algorithms is an ongoing task as we continue to use the data and develop the science from our unique insights into women's pelvic health.
- A significant feature released with the Version 3 is feedback on technique. This most valuable and unique ability to accurately assist women is a result of sophisticated algorithms developed from the continuing real world data collection.
- The data collected also provide a resource to demonstrate not only the efficacy of the product at a particular point in time, but how our product development program has improved efficacy over time. This improvement trajectory demonstrates to potential acquirers the first-mover advantage we have. Analytica has the world's biggest database of pelvic floor exercise. We have the data, we can analyse the data and we can improve our treatments based on the evidence we possess.
- In conjunction with the release of PeriCoach the purchase and payment system was further refined. The UK and the US, ordering and payment portals are now linked to each country's logistics.

- The web page and digital media presence continues to evolve to ensure that the PeriCoach remains fresh and interesting to consumers. The marketing efforts assist with defining critical communication strategies and sales channels for a partner to access consumers.
- Australian (TGA) and European (CE) registration was achieved in 2014 supported by extensive documentation and testing.
- Following United States Food and Drug Administration (FDA) approval in March 2015 as a prescription only product the company lodged an application with the FDA for PeriCoach to be approved as an 'Over the Counter' (OTC) product, meaning it does not require a prescription. The FDA granted this important milestone in the world's largest medical device market in July 2016.
- Upgrading of regulatory systems to meet announced changes to classification of medical devices in the EU as well as regional regulatory clearances required for current distribution agreements and for jurisdictions being negotiated.

### **Establish and extend clinical credibility of effectiveness**

- Data is the core of the PeriCoach system. Every user is contributing to the growth and diversity of the the world's largest pelvic floor database. The current development phase is building the sophisticated tools to provide powerful insights into the effectiveness of the PeriCoach system, and the expansion of knowledge of the pelvic floor.
- Pericoach version 3 all comers, prospective study performed to assess the change in key clinical measures: Applied Strength, Leak Events, Leak Volume. PeriCoach version 3 users encouraged to participate in "8 week Challenge" with reminders to exercise a minimum of five sessions a week, enter information into a bladder diary three days a week, and respond to a quality of life survey at onset, four and eight weeks.





- Analysis by an independent biostatistician reveals significant improvements in pelvic floor strength in five weeks, and reduction in urine volume and leakage episodes in only three weeks. More than 60% of V3 users who used the system for at least three weeks reported highly significant reduction in leakage episodes ( $p=.0059$ ) and volume ( $p=.0017$ ) by week three and beyond. The post-approval all comers observational study, reviewed women using the version 3 PeriCoach system. By week eight, more than 75% of the users have at least 80% improvement in both episodes and volume. Assessment of strength was conducted through measurement of direct force exerted on the vaginal sensor by a user during each session. This is an objective measure rather than subjective digital examination common for pelvic strength assessment. PeriCoach version 3 users demonstrated week-on-week improvement in strength with nearly a third, on average, having at least a 50% improvement in strength, resulting in predictive improvement by week five ( $p=.004$ ).
- Established data indicate women performing un-assisted pelvic exercises report limited progress outcomes of only 3% almost continent, 87% unchanged and 10% worse.
- Clinical advisory boards consisting of key opinion leaders in both Australia and the United States provide expert guidance and clinical relations support.
- Clinical papers and case studies using PeriCoach in treatment have been published in leading clinical urology journals. Data from the PeriCoach clinical trial was accepted and presented at international urogynaecology, physiotherapy and sexual health clinical conferences.

### **Expansion of TGA and CE-Mark Clinical Indicators including Pelvic Organ Prolapse.**

In April 2018 the PeriCoach system expands European CE-Marked clinical Indication to include Pelvic Organ Prolapse. Pelvic organ prolapse is a very common condition with one in twelve women in the UK reporting symptoms. The data shows that up to one in two women that have given birth have some degree of POP and prevalence increases with age. It is estimated that half of women over 50 experiencing symptoms and by the age of 80 more than one in ten will have had a surgical intervention, with incidence of surgery peaking in women aged 60-69. The symptoms of POP (feeling of heaviness, back pain, constipation, incontinence), have a significant impact on quality of life. Estimates state women have a lifetime risk of up to one in eight of undergoing a surgical intervention, with a re-operation rate of nearly one in five. Each surgical intervention in the US is estimated to cost between USD\$10,000-USD\$20,000. As the population continues to age and awareness of the condition grows, it is projected that the number of women with POP will increase up to 46%. The PeriCoach system with its patent protected force sensing technology assists women to properly perform pelvic floor exercises. It is widely recognised that pelvic floor muscle exercises are an effective tool in reducing the burdensome POP symptoms. In a 2015 case study, Analytica demonstrated that when the PeriCoach was used in coordination with a pelvic floor physiotherapist, symptoms of POP were reduced, quality of life improvements were reported, and the requirement of an assistive inserted pessary was no longer needed. In the US alone, as many as 60 Million women experience POP, urinary incontinence and sexual wellness concerns. As the population ages, more women are at risk for surgery, leaving room for complications and a large burden on healthcare systems

### **Testing market acceptance and create a positive sales environment**

- The company has been represented at top urogynaecology and physiotherapy clinical conferences in Australia, United States, Europe, and the United Kingdom. These conferences are a platform to introduce product, gain clinical perspective on conservative management of PFD as well as disseminate PeriCoach clinical evidence and core differentiators to non-clinical competitors.
- Targeted regional clinical campaigns to educate clinicians and their support teams on product availability and updates, training program expansion, and efficacy data.
- Engagement of clinical advisory board members and key opinion leaders in clinical events.
- Expansion of the PeriCoach health care network.
- Continued creativity and refinement of brand assets to build momentum online among search engine marketing and social media.
- Developing video training and promotional assets.
- Strategic engagement with core demographic audience via bloggers and public relations efforts to garner regional brand ambassadors that resonate with a global audience.

- Data driven programming to build awareness and derive evidence-based insights about our core audience, messaging and content triggers that prompt visits to [www.pericoach.com](http://www.pericoach.com).
- Search Engine Optimization driven by expanded web content, responsive advertising, in addition to continuous Google Analytics monitoring, further define digital profile for online consumer journey.

### Partnership

Despite the corona virus pandemic Analytica has continued to develop opportunities and negotiate sales and distribution agreements. Uncertainty and inability to travel together with partners attention demanded on response to the virus, progress has slowed. This corona virus has amplified the need for more home delivery of essential, effective exercise, which the PeriCoach is the ideal solution.

The US, EU and Chinese markets are considered the largest medical device markets in the world. Addressing these markets competitively will require significantly more marketing and sales resources than Analytica has available. The company is actively engaged in discussions with potential partners that have the capacity to maximise the sales of PeriCoach in these important regions.

In November a distribution agreement was signed for the Middle East, a market of 260 million people. This agreement includes Egypt, Saudi Arabia, UAE, Kuwait, Bahrain, Jordan, Lebanon and Iran. The magnitude of Urinary Incontinence among Middle Eastern and North African women stands at 54% compared to 33% in western countries.

### AutoStart/Flush Enhanced Infusion System

This product, despite overwhelming evidence of cost effectiveness and safety has struggled for a foothold in the small Australian market. ICU Medical has successfully listed the AutoStart burette on the Queensland Health and NSW purchasing schedule. Inclusion in this schedule is a prerequisite for all public Queensland and NSW health facilities to purchase medical devices. Analytica believes this important step could provide a valuable opportunity to gain some market share in Australia.

Fresh marketing material has been developed and partnering opportunities are being explored in overseas markets with progress being hampered by the corona virus.

Analytica continues to investigate the opportunities presented by home based hospital care for the AutoStart infusion system. Whereas hospitalisation costs upwards of US\$1,500 to US\$2,500 per day, the average cost of home infusion is US\$150 to US\$200 per day. Additionally, the potential savings accrued by preventing hospital-acquired infections are significant, as these infections result in direct costs to hospitals of US\$28 to US\$45 billion a year in the US. The global home infusion therapy market in 2014 was estimated at US\$12,187 million. This is a market well suited to the AutoStart infusion system, with the AutoStart infusion system features of safety, simplicity, and cost effectiveness.



## Intellectual Property

Analytica continues to develop and protect its intellectual property through patents, trademarks and design registrations. Protection of intellectual property is critical in partnering negotiations and assists in securing a potential partner's freedom to operate in the market.

The PeriCoach has patent protection in Australia, Japan and China providing patent coverage until 2032. Analytica also has PeriCoach patents pending in the PCT national phase in Brazil, India, Germany, and France. Design registrations have also been granted in these jurisdictions.

Analytica's R&D team continues to develop additional novel ideas for future products and product enhancements during the PeriCoach product development process.

Analytica's original licensed burette patents (1995) have expired and more recent (2006) embodiment is patent pending in Germany and patented in Australia, US and China until 2026.

Analytica's Flush feature developed in 2008 is currently in the Patent Cooperation Treaty (PCT) national phases, and has been granted patents in China, with US, Australia and Germany pending.

Analytica also maintains registered trademarks in the various jurisdictions above and owns top-level (.com) and regional internet domains with these trademarks.

## Financial Review

### Financial position

The net assets of the Group have decreased by \$1,674,476 from 30 June 2019 to a net liability of \$6,244 at 30 June 2020.

The directors have arranged an unsecured revolving working capital facility for up to \$1 million at a commercial unsecured overdraft rate of 8.51% from Halonna Pty Ltd an entity associated with the chairman Dr Monsour until 31<sup>st</sup> August 2021. This secures the company's financial position to continue the development of the PeriCoach, and marketing efforts for partnering agreements.

The directors intent to undertake capital raising activities within the next 12 months, and the expectation that this will be successful based on previous capital raisings.

## Other items

### Significant changes in state of affairs

The following significant changes in the state of affairs of the parent entity occurred during the year:

- Middle Eastern distribution agreement in place.
- Imminent release with improved features of Version 4 of the PeriCoach
- Revolving unsecured working capital loan of up to \$1 million in place.

## Changes in the controlled entities and divisions

Establishment of subsidiaries to conduct distribution agreements.

## Events after the reporting date

No other matters or circumstances have arisen since the end of the year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

## Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia

## Future developments and results

Continue the commercialisation strategy for the PeriCoach namely:

- Executing the commercialisation strategy for the PeriCoach is focussed on the following milestones:
- Building 'best-in-class' conservative treatment for pelvic floor conditions, with expansion from the current focus on urinary incontinence to include pelvic organ prolapse, a condition which affects up to 10% of all women at some stage of their lives.
- Validate and extend clinical credibility and effectiveness of PeriCoach
- Confirming market acceptance while creating a positive sales environment
- Securing competitive partnering agreements with companies with the resources to make the PeriCoach a global success.

## Non-audit services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.
- The following fees were paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2019:

**Bentleys QLD Pty Ltd**

	2020	2019
<b>Preparation of Tax Return</b>	\$3,000	\$3,000

**Auditors independence declaration**

The lead auditors, independence declaration for the year ended 30 June, 2019 has been received and can be found on page 27 of the financial report.

**Company secretary**

The following person held the position of Company secretary at the end of the year:

Bryan Dulhunty (COSA Pty Ltd) has been the company secretary since 15 October 2012. COSA provides specialised Company Secretarial and CFO services to Life Science Companies.

Bryan Dulhunty has extensive experience in the biotech industry having held roles covering Chairman, Managing Director, Company Secretary, CFO, and Non-Executive Director of listed and non-listed biotech companies.

**Meetings of directors**

During the year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number Attended
Dr Michael Monsour	11	11
Mr Ross Mangelsdorf	11	11
Dr Thomas Lönngren	11	11
Dr Peter Corr	11	11

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer or auditor of Analytica Limited.

## Employees

Analytica recognises the value of diversity in the workplace and is committed to providing equal opportunity for all of its staff. To contain costs Analytica has one full time male, 1 part time male, 1 full time female and 2 part time female employees. Where possible Analytica offers flexible work practices and work life balance as a key retention tool. Analytica is also committed to providing a workplace free from any form of harassment, bullying and discrimination.

## Options

### Unissued shares under option

At the date of this report, the unissued ordinary shares of Analytica Limited under option are as follows

Grant Date	Date of Expiry	Exercise Price	Number under Option
<b>Unlisted Options</b>			
26-Nov-15	10-Dec-20	0.01620	14,000,000
24-Nov-16	22-Dec-21	0.01300	70,000,000
09-Jun-17	08-Jun-22	0.01300	41,000,000
09-Jun-17	08-Jun-22	0.01036	33,350,000
28-Jun-17	22-Dec-21	0.01300	2,500,000
30-Nov-17	30-Nov-22	0.01300	20,000,000
			<b>180,850,000</b>

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity. For details of options issued to directors and other key management personnel as remuneration, refer to the remuneration report.

## Remuneration report (audited)

### Remuneration policy

The remuneration policy of Analytica Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Analytica Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- The remuneration policy has been developed by the Board, following professional advice from independent external consultants when required.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Performance incentives are based on predetermined key performance indicators.
- Incentives paid in the form of options or rights are intended to align the interests of the KMP and the Group with those of the shareholders. In this regard, key management personnel are prohibited from limiting risk attached to those instruments by use of derivatives or other means.

The performance of key management personnel is measured against criteria agreed with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel receive a superannuation guarantee contribution required by the law, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement. Key management personnel are paid a percentage of between 5-10% of their salary in the event of redundancy. Any options not exercised before or on the date of termination will lapse.

All remuneration paid to key management personnel is valued at the cost to the Group and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment, and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting, the current maximum is \$550,000 which was approved at the 2011 AGM. In November 2004, the Board set individual directors fees at \$50,000 per annum plus statutory superannuation and the chairman's fee at \$75,000 plus statutory superannuation. Based on the current board structure total fees paid on a yearly basis will be \$225,000 plus statutory superannuation.

Key management personnel employed by the Company during the year, in addition to the Company's Directors, is the Company's Operations Manager, Mr Geoff Daly (appointed on the 7 November 2005) and accepted the position of CEO on the 12 February 2014. Mr Daly has extensive experience in the design of medical devices, prototyping and manufacturing.

Mr Daly is employed by the Company under the terms and conditions set out in an employment contract. Due to the size of the company and the nature of its operations, the contract is open-ended and not for a specific time frame. Mr Daly's contract can be terminated by either party giving notice commensurate with the period of employment. There is no provision in the employment contract for the payment of any termination payments other than accrued statutory entitlements.

Mr Mangelsdorf is employed by the Company as CFO. Mr Mangelsdorf has 36 years in the accounting profession. Due to the size of the company and the nature of its operations, the employment contract is open-ended and not for a specific time frame. Mr Mangelsdorf can be terminated by either party giving notice commensurate with the period of employment. There is no provision for the payment of any termination payments other than accrued statutory entitlements. Key management personnel are also entitled and encouraged to participate in the employee share and option arrangements to align their interests with shareholders' interests.

Options granted under these arrangements do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share and is valued using the Black-Scholes methodology.

Key management personnel who are subject to these arrangements are subject to a policy governing the use of external hedging arrangements. Such personnel are prohibited from entering into hedge arrangements, i.e. put options, on unvested shares and options which form part of their remuneration package. Terms of employment signed by such personnel contain details of such restrictions.

### **Relationship between remuneration policy and company performance**

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a

performance-based bonus based on key performance indicators, and the second being the issue of options to directors and executives to encourage the alignment of personal and shareholder interests.

The following table shows the gross revenue, profits and dividends for the last five years for the Company, as well as the share prices at the end of the respective financial years.

	2020 \$	2019 \$	2018 \$	2017 \$	2016 \$
Revenue	809,919	829,556	1,010,565	1,254,337	2,116,243
Net Profit/(Loss)	(1,620,156)	(2,054,174)	(2,159,091)	(3,254,704)	(3,881,472)
Share Price at Year end	0.01	0.01	0.01	0.01	0.01
Dividends Paid (cents)	-	-	-	-	-

### Performance conditions linked to remuneration

Company executive fees are not linked to the performance of the Group. However, to align executives' interests with shareholder interests, the executives are encouraged to hold shares in the Group.

### Employment details of members of key management personnel

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the Group.

The table also illustrates the proportion of remuneration that was performance based, non-performance based, and the proportion of remuneration received in the form of options.

Group KMP	Position Held as at 30 June 2020 and any Change during the Year	Contract Details Duration and Termination	Proportions of Elements of Remuneration Related to Performance			Proportions of Elements of Remuneration Not Related to Performance	
			Non-salary Cash-based	Shares Units %	Options Rights %	Fixed Salary Fees %	Total %
<b>Directors</b>							
<b>Dr M Monsour</b>	Chairman	Annual Review	-	-	-	100	100
<b>Mr R Mangelsdorf</b>	Executive Director and Chief Financial Officer	Annual Review*	-	-	-	100	100
<b>Dr T Lönngren</b>	Non-executive Director	Annual Review	-	-	-	100	100
<b>Dr P Corr</b>	Non-executive Director	Annual Review	-	-	-	100	100
<b>KMP</b>							
<b>G Daly</b>	Chief Executive Officer	*	-	-	-	100	100

\* Open - ended contract; Termination by 5 weeks notice or 4 weeks if the employee resigns.

### Service Agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of director.

The remuneration and other terms of employment for the Managing Director and senior executives are set out in formal service agreements as summarised below.

All service agreements are for an unlimited duration. The agreements for executives (other than the Managing Director, Chief Executive Officer and Chief Finance Officer which require 5 weeks' notice, may be terminated by giving 4 weeks' notice (except in cases of termination for cause where termination is immediate).

In cases of resignation, no separation payment is made to the executive, except for amounts due and payable up to the date of ceasing employment, including accrued leave entitlements.



### Remuneration details for the year ended 30 June 2020

The following tables of benefits and payment represents components of the current year and comparative year remuneration for each member of the key management personnel of the Group. Such amounts have been calculated in accordance with Australian Accounting Standards.

2020	short term				Total	post employment			long term	share based payments			Total
	cash salary fees	bonus	non monetary	other		superannuation	other post employment	termination		options & rights	shares & units	cash - settled	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Directors</b>													
Dr M Monsour *	75,000	-	-	-	75,000	7,125	-	-	-	-	-	82,125	
Mr R Mangelsdorf **	176,000	-	-	-	176,000	16,720	-	-	-	-	-	192,720	
Dr T Lönngren **	50,000	-	-	-	50,000	4,750	-	-	-	-	-	54,750	
Dr P Corr **	50,000	-	-	-	50,000	4,750	-	-	-	-	-	54,750	
<b>KMP</b>													
G Daly	258,333	-	-	-	258,333	24,542	-	-	-	-	-	282,875	
	<b>609,333</b>	-	-	-	<b>609,333</b>	<b>57,887</b>	-	-	-	-	-	<b>667,220</b>	

2019	short term				Total	post employment			long term	share based payments			Total
	cash salary fees	bonus	non monetary	other		superannuation	other post employment	termination		options & rights	shares & units	cash - settled	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Directors</b>													
Dr M Monsour	75,000	-	-	-	75,000	7,125	-	-	-	-	-	82,125	
Mr R Mangelsdorf	176,000	-	-	-	176,000	16,720	-	-	6,498 ***	-	-	199,218	
Dr T Lönngren	50,000	-	-	-	50,000	4,750	-	-	-	-	-	54,750	
Dr P Corr	50,000	-	-	-	50,000	4,750	-	-	6,498 ***	-	-	61,248	
<b>KMP</b>													
G Daly	250,000	-	-	-	250,000	23,750	-	-	-	-	-	273,750	
	<b>601,000</b>	-	-	-	<b>601,000</b>	<b>57,095</b>	-	-	<b>12,996</b>	-	-	<b>671,091</b>	

\* Includes \$25,000 of directors' fees and \$2,375 of superannuation not paid at year end

\*\* Includes \$16,667 of directors' fees and \$1,583 of superannuation not paid at year end

\*\*\* These share based payments were approved at the AGM held on 30 November 2017 and issued during the 2018 year and are being apportioned over the 2018 and 2019 financial years.

### Securities received that are not performance related

No members of key management personnel are entitled to receive securities which are not performance-based as part of their remuneration package

### Cash performance-related bonuses

There were no bonuses granted as remuneration to key management personnel and other executives during the year ended 30 June 2020 (2019: nil).

### Description of options/rights granted as remuneration

Details of the options granted as remuneration to those key management personnel and executives during the year:

2020	Granted as remuneration	Value of options at grant date	Vested during the year	Lapsed during the year	Value of lapsed options at lapse date
	No.	\$	No.	No.	\$
<b>Directors</b>					
NIL	-	-	-	-	-
2019	Granted as remuneration	Value of options at grant date	Vested during the year	Lapsed during the year	Value of lapsed options at lapse date
	No.	\$	No.	No.	\$
<b>Directors</b>					
Mr R Mangelsdorf	-	-	-	13,000,000	118,910
Dr P Corr	-	-	-	10,000,000	91,469

There have not been any alterations to the terms or conditions of any share based payment arrangements since grant date.

### Corporate Governance

Analytica Ltd is committed to implementing the highest possible standards of corporate governance. In determining what those high standards should involve, Analytica Ltd has turned to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (ASX Principles) and has a corporate governance framework that reflects those recommendations within the structure of the Company.

The Board of Analytica Ltd approved an updated series of policies and charters in line with the amendments to the ASX Principles. The Company's policies and charters together form the basis of the Company's governance framework at the date of signing of the directors' report.

Within this framework:

- the Board of Directors is accountable to shareholders for the performance of the Company;
- the Company's goals to achieve milestones are set and promulgated;
- the risks of the business are identified and managed, and
- the Company's established values and principles underpin the way in which it undertakes its operations.

The Company has in place an entrenched, well developed governance culture which has its foundations in the ethical values that the Board, management and staff bring to the Company and their commitment to positioning the Company as a leader in its field.

In certain instances, due to the size and stage of development of Analytica and its operations, it may not be practicable or necessary to implement the ASX Principles in their entirety. In these instances, Analytica Ltd has identified the areas of divergence.

## Key management personnel options and rights holdings

2020	Balance beginning of year	Granted as remuneration	Exercised	Lapsed	Balance at the end of year	Vested during the year	Vested and exercisable
<b>Directors</b>							
Unlisted Options @ 1.62 cents, Expire 10/12/20							
Dr T Lonngren	10,000,000	-	-	-	10,000,000	-	10,000,000
Unlisted Options @ 1.30 cents, Expire 21/12/21							
Dr M Monsour	20,000,000	-	-	-	20,000,000	-	-
Mr R Mangelsdorf	10,000,000	-	-	-	10,000,000	-	-
Dr T Lonngren	10,000,000	-	-	-	10,000,000	-	-
Unlisted Options @ 1.30 cents, Expire 30/11/22							
Dr P Corr	10,000,000	-	-	-	10,000,000	-	-
Mr R Mangelsdorf	10,000,000	-	-	-	10,000,000	-	-
<b>Other KMP</b>							
Unlisted Options @ 1.30 cent, Expire 8/06/22							
G Daly	10,000,000	-	-	-	10,000,000	-	10,000,000
Unlisted Options @ 1.30 cent, Expire 8/06/22							
G Daly	10,000,000	-	-	-	10,000,000	-	10,000,000
Unlisted Options @ 1.036 cent, Expire 8/06/22							
G Daly	14,000,000	-	-	-	14,000,000	-	14,000,000
Unlisted Options @ 1.036 cent, Expire 8/06/22							
G Daly	4,250,000	-	-	-	4,250,000	-	4,250,000
	<b>108,250,000</b>	-	-	-	<b>108,250,000</b>	-	<b>48,250,000</b>

## Key management personnel options and rights holdings

2019	Balance beginning of year	Granted as remuneration	Exercised	Lapsed	Balance at the end of year	Vested during the year	Vested and exercisable
<b>Directors</b>							
<b>Unlisted Options @ 3.24 cents, Expire 29/10/18</b>							
Dr M Mansour	13,000,000	-	-	(13,000,000)	-	-	-
Mr R Mangelsdorf	10,000,000	-	-	(10,000,000)	-	-	-
<b>Unlisted Options @ 1.62 cents, Expire 10/12/20</b>							
Dr T Lonngren	10,000,000	-	-	-	10,000,000	-	10,000,000
<b>Unlisted Options @ 1.30 cents, Expire 21/12/21</b>							
Dr M Monsour	20,000,000	-	-	-	20,000,000	-	-
Mr R Mangelsdorf	10,000,000	-	-	-	10,000,000	-	-
Dr T Lonngren	10,000,000	-	-	-	10,000,000	-	-
<b>Unlisted Options @ 1.30 cents, Expire 30/11/22</b>							
Dr P Corr	10,000,000	-	-	-	10,000,000	-	-
Mr R Mangelsdorf	10,000,000	-	-	-	10,000,000	-	-
<b>Other KMP</b>							
<b>Unlisted Options @ 3.24 cents, Expire 29/10/2018</b>							
G Daly	6,000,000	-	-	(6,000,000)	-	-	-
<b>Unlisted Options @4.5 cents, Expire 12/02/19</b>							
G Daly	5,000,000	-	-	(5,000,000)	-	-	-
<b>Unlisted Options @ 1.30 cent, Expire 8/06/22</b>							
G Daly	10,000,000	-	-	-	10,000,000	-	10,000,000
<b>Unlisted Options @ 1.30 cent, Expire 8/06/22</b>							
G Daly	10,000,000	-	-	-	10,000,000	-	10,000,000
<b>Unlisted Options @ 1.036 cent, Expire 8/06/22</b>							
G Daly	14,000,000	-	-	-	14,000,000	-	14,000,000
<b>Unlisted Options @ 1.036 cent, Expire 8/06/22</b>							
G Daly	4,250,000	-	-	-	4,250,000	-	4,250,000
	<b>142,250,000</b>	<b>-</b>	<b>-</b>	<b>(34,000,000)</b>	<b>108,250,000</b>	<b>-</b>	<b>48,250,000</b>

### Key management personnel shareholdings

The number of ordinary shares in Analytica Limited held by each key management person of the Group during the year is as follows:


2020	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
<b>Directors</b>				
Dr M Monsour	876,207,457	-	-	876,207,457
Mr R Mangelsdorf	107,898,245	-	-	107,898,245
Dr P Corr	360,790,157	-	-	360,790,157
	<b>1,344,895,859</b>	-	-	<b>1,344,895,859</b>
<b>KMP</b>				
Mr G Daly	2,081,658	-	-	2,081,658
	<b>1,346,977,517</b>	-	-	<b>1,346,977,517</b>

2019	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
<b>Directors</b>				
Dr M Monsour	773,374,845	-	102,832,612	876,207,457
Mr R Mangelsdorf	92,484,199	-	15,414,046	107,898,245
Dr P Corr	360,790,157	-	-	360,790,157
	<b>1,226,649,201</b>	-	<b>118,246,658</b>	<b>1,344,895,859</b>
<b>KMP</b>				
Mr G Daly	2,081,658	-	-	2,081,658
	<b>1,228,730,859</b>	-	<b>118,246,658</b>	<b>1,346,977,517</b>

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Director:  .....

Dr Michael Monsour

Director:  .....

Mr Ross Mangelsdorf

Dated this 29<sup>th</sup> August 2020

## Key Management and Staff



### Geoff Daly, Chief Executive Officer

Mr Daly is a Chartered Biomedical and Mechanical Engineer with 25 years of professional engineering experience, the last 20 in the medical device industry. Mr Daly has expertise in design processes, quality systems, and business system improvement, and is trained in the use of Six Sigma tools. He has extensive hands-on design experience of product development in FDA QSR and ISO 13485 environments in some of Australia's largest and smallest medical device companies.



### Chelsea Cornelius – Product Development and Operations Manager

Chelsea started at Analytica in 2008 and has been a key developer of the PeriCoach. Chelsea has a double degree of Arts (Cultural Studies) and Engineering (Mechanical; Hons) at Swinburne University, and a Masters of Biomedical Engineering at Melbourne University. In 2016 Chelsea received the Medical Technology Association of Australia Outstanding Achievement Award.



### Megan Henken – VP Global Marketing

Megan has a degree in Business Management, emphasis in Marketing from Colorado State University. She is a global marketing and sales strategist with over 11 years of healthcare commercial experience, launching of over 20 FDA regulated products. Her experience spans clinical diagnostics, point of care medical devices and health care distribution.



**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*  
TO THE DIRECTORS OF ANALYTICA LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there has been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

*Bentleys.*

Bentleys Brisbane Partnership  
Chartered Accountants

*Ashley Carle*

Ashley Carle  
Partner  
29 August 2020

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

### Continuing operations

	Notes	2020 \$	2019 \$
Sales Revenue	2	11,367	54,805
Cost of Sales		<u>(16,795)</u>	<u>(17,188)</u>
Gross Profit/(Loss)		<u>(5,428)</u>	<u>37,617</u>
Grant Income	2	708,447	745,112
Government Business Support	2	74,000	-
Investment revenue	2	4,014	18,277
Royalty Income	2	12,091	11,362
Administration expense	2	(797,343)	(745,715)
Depreciation, amortisation and impairments	2	(8,634)	(10,846)
Finance expenses	2	(227)	(2,776)
Foreign Currency Gains and Losses		(11,327)	(20,487)
Investments Fair Value Adjustment		(7,643)	(19,849)
Marketing expenses	2	(131,640)	(358,060)
Occupancy expenses		(6,045)	(6,472)
Option Expenses		49,005	(12,996)
Patent maintenance expenses	2	(27,779)	(31,423)
Research and development expense	2	<u>(1,471,647)</u>	<u>(1,657,918)</u>
<b>Loss before income tax</b>		<u>(1,620,156)</u>	<u>(2,054,174)</u>
Income tax expense	3	-	-
<b>Loss for the year</b>		<u>(1,620,156)</u>	<u>(2,054,174)</u>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u>(1,620,156)</u>	<u>(2,054,174)</u>
Loss attributable to:		-	-
<b>Members of the parent entity</b>		<u>(1,620,156)</u>	<u>(2,054,174)</u>
Total comprehensive income attributable to:		-	-
<b>Members of the parent entity</b>		<u>(1,620,156)</u>	<u>(2,054,174)</u>
<b>Earnings per share</b>			
Basic earnings/(loss) per share (dollars)	6	(0.0005)	(0.0006)
Diluted earnings/(loss) per share (dollars)	6	(0.0005)	(0.0006)

## Consolidated Statement of Financial Position

	Notes	2020 \$	2019 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	66,215	1,769,303
Inventories	9	111,578	118,113
Prepayments	13	138,032	67,613
Trade and other receivables	8	20,323	21,544
		<u>336,148</u>	<u>1,976,573</u>
<b>Non-current Assets</b>			
Intangible assets	12	315,914	235,224
Other financial assets	10	8,028	15,671
Property, plant and equipment	11	7,562	12,255
		<u>331,504</u>	<u>263,150</u>
<b>Total Assets</b>		<u><b>667,652</b></u>	<u><b>2,239,723</b></u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Directors loans		75,154	-
Employee benefits	16	254,999	226,363
Short-term provisions	15	66,900	65,700
Trade and other payables	14	267,289	270,033
		<u>664,342</u>	<u>562,096</u>
<b>Non-Current Liabilities</b>			
Employee benefits	16	9,554	9,395
<b>Total Liabilities</b>		<u><b>673,896</b></u>	<u><b>571,491</b></u>
<b>Net Assets</b>		<u><b>(6,244)</b></u>	<u><b>1,668,232</b></u>
<b>Equity</b>			
Issued capital	18	103,867,798	103,873,113
Reserves	17	852,188	927,489
Retained Earnings		(104,726,230)	(103,132,370)
<b>Total Equity</b>		<u><b>(6,244)</b></u>	<u><b>1,668,232</b></u>

## Consolidated Statement of Changes in Equity

2020					
	Note	Ordinary Shares	Retained Earnings	Option Reserve	Total
		\$	\$	\$	\$
Balance at 1 July 2019		103,873,113	(103,132,370)	927,489	1,668,232
Profit/(Loss) attributable to members of the parent entity		-	(1,620,156)	-	(1,620,156)
Options expensed/(reversed)		-	-	(49,005)	(49,005)
Options lapsed during the year		-	26,296	(26,296)	-
Transaction costs		(5,315)	-	-	(5,315)
Shares bought back during the year		-	-	-	-
Balance at 30 June 2020	17, 18	103,867,798	(104,726,230)	852,188	(6,244)
2019					
	Note	Ordinary Shares	Retained Earnings	Option Reserve	Total
		\$	\$	\$	\$
Balance at 1 July 2018		103,011,981	(101,563,734)	1,400,031	2,848,278
Profit/(Loss) attributable to members of the parent entity		-	(2,054,174)	-	(2,054,174)
Options issued/exercised during the year		-	-	12,996	12,996
Options lapsed during the year		-	485,538	(485,538)	-
Shares issued during the year		913,000	-	-	913,000
Transaction costs		(51,868)	-	-	(51,868)
Balance at 30 June 2019	17, 18	103,873,113	(103,132,370)	927,489	1,668,232

## Consolidated Statement of Cash Flows

	Note	2020 \$	2019 \$
Receipts from customers		11,367	54,805
Receipts from grants		708,447	745,112
Receipts from Government Support		74,000	-
Receipts from royalties		12,091	11,362
Payments to suppliers and employees		(2,497,988)	(2,707,504)
Interest received		4,014	18,277
Finance costs		-	-
Interest paid		(73)	(2,776)
Net cash provided by (used in) operating activities	21	<u>(1,688,142)</u>	<u>(1,880,724)</u>
<b>Cash flows from investing activities:</b>			
Payment for intangible asset		<u>(84,631)</u>	<u>(52,266)</u>
Net cash used by investing activities		<u>(84,631)</u>	<u>(52,266)</u>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings		75,000	-
Proceeds from issue of shares		-	913,000
Costs of fund raising		<u>(5,315)</u>	<u>(51,868)</u>
Net cash used by financing activities		<u>69,685</u>	<u>861,132</u>
Net increase (decrease) in cash and cash equivalents held		<b>(1,703,088)</b>	<b>(1,071,858)</b>
Cash and cash equivalents at beginning of year		<u>1,769,303</u>	<u>2,841,161</u>
Cash and cash equivalents at end of financial year	7	<u>66,215</u>	<u>1,769,303</u>

## Notes to the Financial Statements

These consolidated financial statements and notes represent those of Analytica Limited and Controlled Entities (the “consolidated group” or “group”).

The separate financial statements of the parent entity, Analytica Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 29<sup>th</sup> August 2020 by the directors of the company.

### 1: Summary of Significant Accounting Policies

#### Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### a. Principles of Consolidation.

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Analytica Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, 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. A list of the subsidiaries is provided in Note 23.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the

subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

### **Business combinations**

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

### **Goodwill**

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- i. the consideration transferred;
- ii. any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- iii. the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been

recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquired either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

#### **b. Income Tax.**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their



measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### **c. Fair Value of Assets and Liabilities.**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts

from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

#### **d. Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

#### **e. Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

##### **Property**

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

##### **Plant and equipment**

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in

profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	13.33% – 20%
Office equipment	10% – 66.67%
Computer equipment	20% - 100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

## f. Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts classified as short-term leases (with a remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be paid by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss and other comprehensive income. g. Financial Instruments

## g. Financial Instruments

### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

### Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

#### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance to AASB 9.3.25.3; and
- the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

#### **Financial assets**

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

### Equity instruments

At initial recognition, the Group made an irrevocable election to measure any subsequent changes in fair value of equity instruments. Dividend revenue received on underlying equity instruments investments is also recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

### Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial

liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Group elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

#### Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and



- financial guarantee contracts that are not measured at fair value through profit or loss. Loss allowance is not recognised for:
- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

#### General approach

Under the general approach, at each reporting period, the Group assessed whether the financial instruments are credit impaired, and:

- if the credit risk of the financial instrument increased significantly since initial recognition, the Group measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there was no significant increase in credit risk since initial recognition, the Group measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

#### Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

## **h. Impairment of Assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

## **i. Intangibles Other than Goodwill**

### **Patents and trademarks**

Patents and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful lives ranging from 0 to 20 years.

Research and development expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

## **j. Foreign Currency Transactions and Balances**

### **Functional and presentation currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

### **Transactions and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

### **Group companies**

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

## k. Employee Benefits

### Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

### Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

### Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (i) the date when the Group can no longer withdraw the offer for termination benefits; and (ii) when the Group recognises costs for restructuring pursuant to AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

### Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined

the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

### **I. Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### **m. Provision for Warranties**

Provision is made in respect of the Group's best estimate of the liability on all products and services under warranty at the end of the reporting period. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the consolidated group's history of warranty claims.

#### **n. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

#### **o. Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the satisfaction of the performance obligation within the contract.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint ventures are accounted for in accordance with the equity method of accounting.

Royalty revenue is recognised in the consolidated statement of profit or loss and other comprehensive income when the later of the subsequent sale or usage occurs and the performance obligation to which the sale-based or usage based royalty has been allocated has been satisfied.

The Group is eligible for research and development incentives from the Federal Government. Such amounts are recognised as revenue upon receipt.

All revenue is stated net of the amount of goods and services tax.

#### **p. Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

#### **q. Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### **r. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### **s. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**t. Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**u. Rounding of Amounts**

The parent entity has applied the relief available to it under ASIC Corporations (Rounding in financial statements (Directors' Report Instrument) 2016/191. Accordingly, amounts in the financial statements have been rounded off to the nearest \$1.

**v. Going concern**

The financial statements have been prepared on a going concern basis.

Based on the Company's forward cash flow projections, it indicates that additional funds will be required to ensure that the Company is able to meet its debts as and when they become due and payable.

The Company currently has a financing facility via a loan agreement from Dr Monsour up to an amount of \$1,000,000. Refer to note 23 for further information.

In addition to the above, the Company will be undertaking capital raising activities within the next 12 months and is of the belief that this will be successful to the extent that it will generate the required cash flows.

On this basis, the Directors believe that the Company will have access to and/or be able to generate sufficient cash flow to continue as a going concern.

However, if adequate capital raising is not achieved the Company may be unable to continue as a going concern. No adjustments have been made relating to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

**w. Earnings per share**

The Group presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit/loss attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

**x. Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effect.

**y. Critical accounting estimates and judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

**Key estimates – impairment**

The Group assesses impairment at the end of each reporting year by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**z. New Accounting Standards for Application in Future Periods**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020.

The Group anticipates to adopt these standards from their relevant application dates. Based on the preliminary assessment these standards are not expected to have a material effect.



**aa. New and amended accounting policies adopted by the group****Initial application of AASB 16: Leases**

The Group has adopted AASB 16: Leases with a date of initial application of 1 July 2019. As a result, the Group has changed its accounting policy for Leases as detailed in this note.

AASB 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. The impact of the adoption of AASB 16 on the Group's consolidated financial statements is described below.

The Group does not have any leases as at report date and/or that would require adjustment made to the current or prior period upon adoption of the standard.

## 2. Result for the year

### Revenue from continuing operations

#### 2. Revenue from continuing operations

	Consolidated Group	
	2020	2019
	\$	\$
Sale of goods revenue	11,367	54,805
Other Revenue		
R & D tax incentive revenue	708,447	745,112
Investment revenue	4,014	18,277
Government Business Support	74,000	-
Royalty Income	12,091	11,362
	<u>794,952</u>	<u>774,751</u>
Total Revenue	<u>809,919</u>	<u>829,556</u>

### Expenditure

Loss before income tax from continuing operations includes the following specific expenses

	Consolidated Group	
	2020	2019
	\$	\$
<b>Finance expenses</b>		
External	73	2,776
Directors' loan	154	-
	<u>227</u>	<u>2,776</u>
<b>Administration expense</b>		
Administration - compliance	463,200	412,928
Administration - employment	320,806	311,314
Administration - general	13,337	21,473
	<u>797,343</u>	<u>745,715</u>
<b>Depreciation, amortisation and impairments</b>		
Intangible assets	3,941	3,933
Property, plant and equipment	4,693	6,913
	<u>8,634</u>	<u>10,846</u>
<b>Marketing expenses</b>		
Marketing - employment	2,759	34,262
Marketing - Other	1,966	36,063
Marketing - Pericoach	126,915	287,735
	<u>131,640</u>	<u>358,060</u>

	Consolidated Group	
	2020	2019
	\$	\$
<b>Patent maintenance expenses</b>		
Patent Maintenance - AutoStart Burette	8,013	10,256
Patent Maintenance - PeriCoach	19,766	21,167
	<u>27,779</u>	<u>31,423</u>
<b>Research and development expense</b>		
R & D - Employment	648,208	746,504
R & D - Pericoach	823,439	911,414
	<u>1,471,647</u>	<u>1,657,918</u>

### 3. Income Tax

	Consolidated Group	
	2020	2019
	\$	\$
Profit/(Loss) for the year	(1,620,156)	(2,054,174)
Tax	27.5%	27.5%
	<u>(445,543)</u>	<u>(564,898)</u>
Add:		
Tax effect of:		
- non deductible expenses	342,904	338,721
	<u>(102,639)</u>	<u>(226,177)</u>
Less:		
Tax effect of:		
- non assessable income	(210,235)	(206,985)
Temporary differences and tax losses not brought to account	312,874	433,162
Income tax attributable to parent entity	<u>-</u>	<u>-</u>

Carried forward tax losses of \$22,078,920 (2019: \$20,941,372) have not been brought to account as a deferred tax asset because it is not yet considered probable that they will reverse to the extent of being utilised in the future.

## 4. Key management personnel options and rights holdings

2020	Balance beginning of year	Granted as remuneration	Exercised	Lapsed	Balance at the end of year	Vested during the year	Vested and exercisable
<b>Directors</b>							
Unlisted Options @ 1.62 cents, Expire 10/12/20							
<b>Dr T Lonngren</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	<b>10,000,000</b>
Unlisted Options @ 1.3 cents, Expire 21/12/21							
<b>Dr M Monsour</b>	<b>20,000,000</b>	-	-	-	<b>20,000,000</b>	-	-
<b>Mr R Mangelsdorf</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	-
<b>Dr T Lonngren</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	-
Unlisted Options @ 1.3 cents, Expire 30/11/22							
<b>Dr P Corr</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	-
<b>Mr R Mangelsdorf</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	-
<b>Other KMP</b>							
Unlisted Options @ 1.30 cent, Expire 8/06/22							
<b>G Daly</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	<b>10,000,000</b>
Unlisted Options @ 1.30 cent, Expire 8/06/22							
<b>G Daly</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	<b>10,000,000</b>
Unlisted Options @ 1.036 cent, Expire 8/06/22							
<b>G Daly</b>	<b>14,000,000</b>	-	-	-	<b>14,000,000</b>	-	<b>14,000,000</b>
Unlisted Options @ 1.036 cent, Expire 8/06/22							
<b>G Daly</b>	<b>4,250,000</b>	-	-	-	<b>4,250,000</b>	-	<b>4,250,000</b>
	<b>108,250,000</b>	-	-	-	<b>108,250,000</b>	-	<b>48,250,000</b>

2019	Balance beginning of year	Granted as remuneration	Exercised	Lapsed	Balance at the end of year	Vested during the year	Vested and exercisable
<b>Directors</b>							
Unlisted Options @ 3.24 cents, Expire 29/10/18							
<b>Dr M Mansour</b>	13,000,000	-	-	(13,000,000)	-	-	-
<b>Mr R Mangelsdorf</b>	10,000,000	-	-	(10,000,000)	-	-	-
Unlisted Options @ 1.62 cents, Expire 10/12/20							
<b>Dr T Lonngren</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	<b>10,000,000</b>
Unlisted Options @ 1.3 cents, Expire 21/12/21							
<b>Dr M Monsour</b>	<b>20,000,000</b>	-	-	-	<b>20,000,000</b>	-	-
<b>Mr R Mangelsdorf</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	-
<b>Dr T Lonngren</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	-
Unlisted Options @ 1.3 cents, Expire 30/11/22							
<b>Dr P Corr</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	-
<b>Mr R Mangelsdorf</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	-
<b>Other KMP</b>							
Unlisted Options @ 3.24 cents, Expire 29/10/2018							
<b>G Daly</b>	6,000,000	-	-	(6,000,000)	-	-	-
Unlisted Options @ 4.5 cents, Expire 12/02/19							
<b>G Daly</b>	5,000,000	-	-	(5,000,000)	-	-	-
Unlisted Options @ 1.30 cent, Expire 8/06/22							
<b>G Daly</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	<b>10,000,000</b>
Unlisted Options @ 1.30 cent, Expire 8/06/22							
<b>G Daly</b>	<b>10,000,000</b>	-	-	-	<b>10,000,000</b>	-	<b>10,000,000</b>
Unlisted Options @ 1.036 cent, Expire 8/06/22							
<b>G Daly</b>	<b>14,000,000</b>	-	-	-	<b>14,000,000</b>	-	<b>14,000,000</b>
Unlisted Options @ 1.036 cent, Expire 8/06/22							
<b>G Daly</b>	<b>4,250,000</b>	-	-	-	<b>4,250,000</b>	-	<b>4,250,000</b>
	<b>142,250,000</b>	-	-	<b>(34,000,000)</b>	<b>108,250,000</b>	-	<b>48,250,000</b>

#### 4. Key management personnel shareholdings

2020	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
<b>Directors</b>				
Dr M Monsour	876,207,457	-	-	876,207,457
Mr R Mangelsdorf	107,898,245	-	-	107,898,245
Dr P Corr	360,790,157	-	-	360,790,157
	<b>1,344,895,859</b>	-	-	<b>1,344,895,859</b>
<b>KMP</b>				
Mr G Daly	2,081,658	-	-	2,081,658
	<b>1,346,977,517</b>	-	-	<b>1,346,977,517</b>

2019	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
<b>Directors</b>				
Dr M Monsour	773,374,845	-	102,832,612	876,207,457
Mr R Mangelsdorf	92,484,199	-	15,414,046	107,898,245
Dr P Corr	360,790,157	-	-	360,790,157
	<b>1,226,649,201</b>	-	<b>118,246,658</b>	<b>1,344,895,859</b>
<b>KMP</b>				
Mr G Daly	2,081,658	-	-	2,081,658
	<b>1,228,730,859</b>	-	<b>118,246,658</b>	<b>1,346,977,517</b>

#### 5 Remuneration of Auditors

	Consolidated Group	
	2020	2019
	\$	\$
Remuneration of the auditor of the company, Bentleys, for auditing or reviewing the financial report	67,300	66,500
other services	3,000	3,000

## 6 Earnings per Share

### (a) Reconciliation of earnings to profit or loss from continuing operations

	Consolidated Group	
	2020	2019
	\$	\$
Loss from continuing operations	(1,620,156)	(2,054,174)
Earnings used to calculate basic EPS from operations	<u>(1,620,156)</u>	<u>(2,054,174)</u>

### (b) Earnings used to calculate overall earnings per share

Earnings used to calculate overall earnings per share	<u>(1,620,156)</u>	<u>(2,054,174)</u>
---	--------------------	--------------------

### (c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	Consolidated Group	
	2020	2019
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	3,519,612,332	3,345,016,733
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	<u>3,519,612,332</u>	<u>3,345,016,733</u>
<b>Earnings per share</b>		
Basic earnings/(loss) per share (dollars)	(0.0005)	(0.0006)
Diluted earnings/(loss) per share (dollars)	(0.0005)	(0.0006)

## 7 Cash and cash equivalents

	Consolidated Group	
	2020	2019
	\$	\$
Cash at bank and in hand	65,212	157,178
Short term bank deposits	1,003	1,612,125
	<u>66,215</u>	<u>1,769,303</u>

## 8 Trade and other receivables

	Consolidated Group	
	2020	2019
	\$	\$
Accrued Revenue	6,046	6,095
GST Refundable	14,125	15,449
Sundry Debtors	152	-
	<u>20,323</u>	<u>21,544</u>

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Group.

## 9 Inventories

	Consolidated Group	
	2020	2019
	\$	\$
PC Stock - Finished Goods	15,859	13,132
PC Stock - Materials	95,719	104,981
	<u>111,578</u>	<u>118,113</u>

## 10 Other financial assets

Financial assets at fair value through profit or loss are shares held for trading for the purpose of short - term profit taking. Changes in fair value are included in the consolidated statement of profit or loss and other comprehensive income.

	Consolidated Group	
	2020	2019
	\$	\$
Listed investments at fair value		
Investments in Invion	8,028	15,671
Financial assets at fair value through profit and loss		
Listed shares at cost	522,026	522,356
less fair value adjustment	(513,998)	(506,685)
	<u>8,028</u>	<u>15,671</u>



## 11 Property, plant and equipment

	Consolidated Group	
	2020	2019
	\$	\$
Computer Equipment	115,114	115,114
Computer Equipment Dep'n Accum	(114,577)	(112,581)
	<u>537</u>	<u>2,533</u>
Office Equipment	17,988	17,988
Office Equipment Dep'n Accum	(15,763)	(14,184)
	<u>2,225</u>	<u>3,804</u>
Plant & Machinery	28,253	28,253
Plant & Machinery Dep'n Accum.	(23,453)	(22,335)
	<u>4,800</u>	<u>5,918</u>
	<u>7,562</u>	<u>12,255</u>

### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current year:

Consolidated	Plant & Equipment	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$
<b>Year ended 30 June, 2020</b>				
Balance at the beginning of year	5,918	3,804	2,533	12,255
Depreciation expense	(1,118)	(1,579)	(1,996)	(4,693)
Balance at the end of the year	<u>4,800</u>	<u>2,225</u>	<u>537</u>	<u>7,562</u>
<b>Year ended 30 June, 2019</b>				
Balance at the beginning of year	7,038	5,769	6,361	19,168
Depreciation expense	(1,120)	(1,965)	(3,828)	(6,913)
Balance at the end of the year	<u>5,918</u>	<u>3,804</u>	<u>2,533</u>	<u>12,255</u>

## 12 Intangible Assets

	Consolidated Group	
	2020	2019
	\$	\$
Patents, trademarks and other rights		
Cost	566,950	482,320
Accumulated amortisation/impairment	(251,036)	(247,096)
Net carrying value	<u>315,914</u>	<u>235,224</u>
Licences and franchises	20,000	20,000
Accumulated amortisation/impairment	(20,000)	(20,000)
	-	-
	<u>315,914</u>	<u>235,224</u>

Consolidated	Patents, trademarks	Software	Total
	\$	\$	\$
<b>Year ended 30 June, 2020</b>			
Balance at the beginning of the year	235,224	-	235,224
Additions	84,631	-	84,631
Amortisation	(3,941)	-	(3,941)
Balance at the end of the year	<u>315,914</u>	-	<u>315,914</u>
<b>Year ended 30 June, 2019</b>			
Balance at the beginning of the year	186,891	-	186,891
Additions	52,266	-	52,266
Amortisation	(3,933)	-	(3,933)
Balance at the end of the year	<u>235,224</u>	-	<u>235,224</u>

## 13 Other assets

	Consolidated Group	
	2020	2019
	\$	\$
Prepayments	104,162	67,613
Prepayment Supplier	33,870	-
	<u>138,032</u>	<u>67,613</u>

## 14 Trade and other payables

	Consolidated Group	
	2020	2019
	\$	\$
Trade payables	166,620	248,036
Other Payables	100,669	21,997
	<u>267,289</u>	<u>270,033</u>

## 15 Provisions

	Consolidated Group	
	2020	2019
	\$	\$
Provn for Audit Fees	47,900	47,000
Provn for Tax Return Costs	19,000	18,700
	<u>66,900</u>	<u>65,700</u>

## 16 Employee Benefits

	Consolidated Group	
	2020	2019
	\$	\$
<b>Current liabilities</b>		
Provision for Holiday Pay	122,150	116,261
Provision for Holiday Pay Super	11,604	11,045
Provision for Long Service Leave - ST	121,245	99,057
	<u>254,999</u>	<u>226,363</u>
<b>Provision for long-term employee benefits</b>		
Provision for long service leave	9,554	9,395

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled in the next 12 months. However, these amounts must be classified as current liabilities since the group does not have an unconditional right to defer the settlement of these amounts in the event the employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued to long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historic data.

## 17 Reserves

	Consolidated Group	
	2020	2019
	\$	\$
Opening balance	927,489	1,400,031
Options issued	-	12,996
Options adjusted	(49,005)	-
Options lapsed	(26,296)	(485,538)
	<u>852,188</u>	<u>927,489</u>

### Share option reserve

This reserve records the cumulative value of share based payments including employee service received for the issue of share options. When the option is exercised or lapses the amount in the share option reserve is transferred to share capital

## 18 Issued Capital

	Consolidated Group	
	2020	2019
	\$	\$
Fully paid 3,519,612,332 (2019: 3,519,612,332)	103,867,798	103,873,113
Ordinary shares		
<b>Total</b>	<u>103,867,798</u>	<u>103,873,113</u>

### (a) Ordinary shares

	Consolidated Group	
	2020	2019
	No.	No.
At the beginning of the reporting period	3,519,612,332	3,337,012,350
Shares issued during the year		
14 June 2019 Entitlement Offer @ 0.05 cents per share	-	182,599,982
At the end of the reporting period	<u>3,519,612,332</u>	<u>3,519,612,332</u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

### (b) Options

(i) For information relating to the Analytica Limited employee option plan, including details of options issued, exercised and lapsed during the year and the options outstanding at year-end, refer to Note 22 Share-based payments.

(ii) For information relating to share options issued to key management personnel during the year, refer to Note 4.

### (c) Capital Management

Management controls the capital of Analytica Limited in order to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Capital consists of share capital, reserves and retained profit.

There are no externally imposed capital requirements.

The Group monitors capital through the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is defined as equity per the consolidated statement of financial position plus net debt.

The target for Analytica Limited's gearing ratio is between 0% and 50%. The gearing ratios at the current and prior years are shown below:

Debt to issued capital gearing ratio for 2020 is 0.65% (2019: 0.55%).

There have been no changes in the strategy adopted by management during the year.

## 19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

## 20 Operating Segments

### Segment information

#### Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the group's operations inherently have

notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or services;
- the distribution method; and
- any external regulatory requirements.

Performance is measured based on segment profit before income tax as included in the internal financial reports.

### **Types of products and services by reportable segment**

#### **(i) Medical Devices**

- AutoStart Burette
- PeriCoach (Perineometer)

Analytica's lead product is the Perineometer device branded PeriCoach, to assist women and their clinicians in treatment of Stress Urinary Incontinence. The PeriCoach entered controlled market release in June 2014, with clinical trials undertaken in November 2014, with its public release in Australia and United Kingdom January 2015 and release in the United States in June 2015. The PeriCoach V3 was released in May 2017. The PeriCoach has a TGA ARTG entry, CE-marking, and USFDA 510(k) 'approval'.

Analytica is also commercialising the AutoStart Burette infusion system. The AutoStart Burette set automatically restarts the delivery of intravenous fluid once the burette has dispensed its predetermined amount of liquid or drug. Automatic restart of the IV fluid, once the drug is dispensed can provide enormous savings in nursing time during and following a medication event, and reduces the risk of blood clots forming that may obstruct the intravenous cannula.

Analytica has licensed the AutoStart Burette and other burette intellectual property to ICU Australia (Formerly Medical Australia) for distribution in the Australian Market. The AutoStart Burette has a TGA ARTG entry and USFDA 510(k) clearance.

#### **(ii) Corporate**

The corporate segment includes all other operations including the administration, and associated listed public company expenditure.

## Basis of accounting for purposes of reporting by operating segments

### (a) Accounting policies adopted

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

### Income tax expense

Income tax expense is calculated based on the segment operating net profit using a notional charge of 27.5%. The effect of taxable or deductible temporary difference is not included for internal reporting purposes.

### (b) Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

### (c) Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

	Medical Devices		Corporate		Total	Total
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>						
Grant revenue	-	-	708,447	745,112	708,447	745,112
Government assistance	-	-	74,000	-	74,000	-
Sales revenue	11,367	54,805	-	-	11,367	54,805
Royalty revenue	12,091	11,362	-	-	12,091	11,362
Interest revenue	-	-	4,014	18,277	4,014	18,277
Loss sale of equipment	-	-	-	-	-	-
<b>Total segment revenue</b>	<b>23,458</b>	<b>66,167</b>	<b>786,461</b>	<b>763,389</b>	<b>809,919</b>	<b>829,556</b>
Depreciation/amortisation	(3,941)	(3,933)	(4,693)	(6,913)	(8,634)	(10,846)
Cost of sales	(16,795)	(17,188)	-	-	(16,795)	(17,188)
Interest expense	-	-	(227)	(2,776)	(227)	(2,776)
Marketing	(131,640)	(358,060)	-	-	(131,640)	(358,060)
Patent Maintenance	(27,779)	(31,423)	-	-	(27,779)	(31,423)
Other expense	-	-	(773,353)	(805,519)	(773,353)	(805,519)
Research & development	(1,471,647)	(1,657,918)	-	-	(1,471,647)	(1,657,918)
<b>Total segment expense</b>	<b>(1,651,802)</b>	<b>(2,068,522)</b>	<b>(778,273)</b>	<b>(815,208)</b>	<b>(2,430,075)</b>	<b>(2,883,730)</b>
<b>Segment profit (loss)</b>	<b>(1,628,344)</b>	<b>(2,002,355)</b>	<b>8,188</b>	<b>(51,819)</b>	<b>(1,620,156)</b>	<b>(2,054,174)</b>

	Medical Devices		Corporate		Total	Total
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
(e) Segment assets						
Segment assets	447,815	374,881	211,809	1,849,171	659,624	2,224,052
Financial assets at fair value through profit and loss						
	-	-	8,028	15,671	8,028	15,671
(f) Segment liabilities						
Segment liabilities	-	-	673,896	571,491	673,896	571,491

### Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers whereas segment assets are based on the location of the assets.

	2020	2019
	Revenue	Revenue
Australia	802,351	792,360
United Kingdom	754	6,736
United States	6,814	30,460

### 21 Cash Flow Information

	Consolidated Group	
	2020	2019
	\$	\$
Profit for the year	(1,620,156)	(2,054,174)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	3,941	3,933
- depreciation	4,693	6,913
- interest on directors loan	154	-
- fair value adjustment Invion Limited	7,643	19,849
- share options adjusted	(49,005)	12,996
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	1,221	(1,951)
- (increase)/decrease in prepayments	(70,419)	(4,894)
- (increase)/decrease in inventories	6,535	20,224
- increase/(decrease) in trade and other payables	(2,744)	95,757
- increase/(decrease) in provisions	1,200	4,900
- increase/(decrease) in employee benefits	28,795	15,723
Cashflow from operations	<u>(1,688,142)</u>	<u>(1,880,724)</u>



## 22 Share-based Payments

Grant Date Unlisted Options	Date of Expiry	Exercise Price	Start of Year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year	Vested & exercisable end of year
28-09-2015	28-02-2020	0.0190	10,416,667	-	-	(10,416,667)	-	-
26-11-2015	10-12-2020	0.0162	14,000,000	-	-	-	14,000,000	14,000,000
24-11-2016	21-12-2021	0.0130	70,000,000	-	-	-	70,000,000	-
9-06-2017	8-06-2022	0.0130	41,000,000	-	-	-	41,000,000	41,000,000
9-06-2017	8-06-2022	0.0104	33,350,000	-	-	-	33,350,000	33,350,000
28-06-2017	22-12-2021	0.0130	2,500,000	-	-	-	2,500,000	2,500,000
30-11-2017	30-11-2022	0.0130	20,000,000	-	-	-	20,000,000	-
			<b>191,266,667</b>	-	-	<b>(10,416,667)</b>	<b>180,850,000</b>	<b>90,850,000</b>

## 23 Related Parties

The Group's main related parties are as follows:

### (i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 4: Key Management Personnel (KMP) options and rights holdings and the remuneration report in the Directors' Report.

Other transactions with KMP and their related entities are shown below.

Loan facility to the company up to \$1,000,000 (2019: \$400,000) provided by Dr Monsour.

Funds have been drawn-down as at reporting date of \$75,000 (2019: nil), and \$154 of interest accrued. Interest of 8.51 % is being paid on this loan.

**(ii) Subsidiaries:**

The consolidated financial statements include the financial statements of Analytica Limited and the following subsidiaries:

Name of subsidiary	% ownership interest 2020	% ownership interest 2019
PeriCoach Pty Ltd	100	100
Analytica Operations Pty Ltd	100	-
Analytica Export ME Pty Ltd	100	-

**Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**24 Financial Risk Management**

The Company is exposed to a variety of financial risks through its use of financial instruments.

This note discloses the Company's objectives, policies and processes for managing and measuring these risks.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not speculate in financial assets.

The most significant financial risks to which the Company is exposed to are described below:

**Specific risks**

- Market risk - currency risk, cash flow interest rate risk and price risk
- Credit risk
- Liquidity risk

**Financial instruments used**

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Bank overdraft
- Investments in listed shares
- Trade and other payables

### Objectives, policies and processes

The CFO has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Company, these policies and procedures are tabled at the board meeting following their approval.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the CEO or CFO believes the Board should be aware of.

Specific information regarding the mitigation of each financial risk to which Company is exposed is provided below.

### Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The Company's liabilities have contractual maturities which are summarised below

Not later than 1 month

	2020	2019
	\$	\$
Trade payables	166,620	248,036
Other payables	100,669	21,997
	<u>267,289</u>	<u>270,033</u>

## Market risk

### (i) Foreign currency sensitivity

Most of the Company transactions are carried out in Australian Dollars. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in USD and CHF.

The Company did not actively reduce exposure of foreign currency risk by utilising forward exchange contracts for non-Australian Dollar cash flows during the 2020 or 2019 year.

Foreign currency denominated assets translated into Australian Dollars at the closing rate are included in the inventory balance of \$111,578 (2019: \$118,113). Net currency losses of \$11,327 (2019: \$20,487) are disclosed in the statement of profit or loss and other comprehensive income. Any increase or decrease in exchange rates would not significantly impact users of the financial statements, as such no sensitivity analysis is disclosed.

### (ii) Cash flow interest rate sensitivity

The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +2.00% and -2.00% (2018: +2.00%/-2.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2020		2019	
	2.00%	(2.00%)	2.00%	(2.00%)
	\$	\$	\$	\$
Cash and cash equivalents				
Net results	(179)	179	35,386	(35,386)
Equity	(179)	179	35,386	(35,386)

**(iii) Other price risk**

The Company are exposed to equity securities price risk. This arises from listed and unlisted investments held by the Company and classified as available-for-sale on the consolidated statement of financial position.

Equity instruments are held for strategic rather than trading purposes and the Company does not actively trade these investments.

The Company is not exposed to commodity price risk.

There is no profit impact, except for investments held at fair value through profit or loss. Equity would increase / decrease as a result of fair value movements through the investment reserve.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Trade receivables consist of a number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Board receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Company's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

## 25 Fair Value Measurement

The Group measures the following assets and liabilities at fair value on a recurring basis

### Financial assets

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Group:

#### Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<b>2020</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Recurring fair value measurements</b>				
Listed shares	8,028	-	-	8,028
<b>2019</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Recurring fair value measurements				
Listed shares	15,671	-	-	15,671

## 26 Events Occurring After the Reporting Date

On the 17<sup>th</sup> August 2020, Dr Thomas Lönngren resigned as a director of the Company.

No other matters or circumstances have arisen since the end of the year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## 27 Company Details

**The registered office of the company is:**

Analytica Limited  
c/o Avance Chartered Accountants  
222 Bazaar Street,  
Maryborough Qld 4655  
Telephone: (07) 3278 1950

**Share Registry:**

Link Market Services  
Level 15, 324 Queen Street  
Brisbane, Queensland 4000  
Telephone: +61 1300 554 474  
Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

**The postal address for the registered office of the company is:**

Analytica Limited  
PO Box 438  
Maryborough Qld 4650

**The principal place of business is:**

320 Adelaide Street  
Brisbane Qld 4000  
Telephone: (07) 3278 1950

## Directors' Declaration

In accordance with a resolution of the directors of Analytica Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 27 to 73, are in accordance with the *Corporations Act 2001* and:

a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and

b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the consolidated group;

2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

3. the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

Directors



Dr Michael Monsour



Mr Ross Mangelsdorf

Dated this 29<sup>th</sup> August 2020



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANALYTICA LIMITED



## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Analytica Limited (The Company and its subsidiary, together, the "Group"), which comprises the consolidated statement of financial position as at 30 June 2020 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

In our opinion the consolidated financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Australian Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1v in the financial report, which indicates that Analytica Limited will be required to raise additional funds to meet forecast cash needs. These conditions, along with other matters as set forth in Note 1v, indicate the existence of a material uncertainty that may cast significant doubt about the ability to continue as a going concern and therefore, Analytica Limited may be unable to realise its assets and discharge its liabilities in the normal course of business.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Material Uncertainty Relating to Going Concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<b><u>Accounting For and Disclosure of Options</u></b>	
<p><b>We focused on this area as a key audit matter due to:</b></p> <ul style="list-style-type: none"> <li>Options, including the movements in option holdings, option expenditure and option reserves are material in nature and can have a material dollar value impact on the financial report.</li> <li>The inherent complexity and level of judgment involved in correctly valuing and accounting for options, especially in regard to unlisted options.</li> <li>The importance and requirement for adequate and appropriate disclosure of options in the financial report and the remuneration report.</li> </ul>	<p><b>Our procedures included, amongst others:</b></p> <ul style="list-style-type: none"> <li>Verifying the completeness of options on issue with reference to ASX announcements and other third party supporting information.</li> <li>Testing the valuation of options by agreeing to valuation reports completed by independent valuers.</li> <li>Checking vesting calculations and correct accounting for options in accordance with AASB 2 Share-based Payment.</li> <li>Ensuring the disclosure of options in the financial report was adequate and appropriate, verifying movements in options to relevant supporting information.</li> </ul>
<b><u>Existence and Valuation of Inventory</u></b>	
<p><b>We focused on this area as a key audit matter due to:</b></p> <ul style="list-style-type: none"> <li>Analytica's inventory is a material balance on the statement of financial position, and is at high risk of impairment due to technological obsolescence.</li> <li>In recent years Analytica has impaired the overall inventory balance by material amounts as a result of impairment reviews conducted by Analytica's management and Audit.</li> <li>A significant amount of Analytica's inventory is held by third parties.</li> </ul>	<p><b>Our procedures included, amongst others:</b></p> <ul style="list-style-type: none"> <li>Verifying the existence of inventory by agreeing the client's year end balances and records to third party confirmations from those entities that hold inventory on Analytica's behalf. Those entities performed stocktakes at 30 June 2020, and we obtained copies of these stocktake reports.</li> <li>Testing the adequacy of the provision for impairment and write offs recorded during the year, based on our knowledge of the client and the specific inventory items at risk of obsolescence. Where impairment indicators were noted, further enquiries were made with management and recalculation of potential impairment was compared to the provision in the financial report.</li> <li>Ensuring the accuracy of the Analytica's inventory records by checking that the correct cost per unit was applied to inventory on hand at year end. Given there has been minimal purchases in recent times, the applied cost per unit was compared to the rates applied in the prior year.</li> </ul>

**Existence and Valuation of Intangibles – Patents and Trademarks**

**We focused on this area as a key audit matter due to:**

- Intangibles being material in nature and having a material dollar value impact on the financial report.
- The inherent complexity and level of judgment involved in correctly accounting for intangibles like patents and trademarks.
- The potential risk of impairment, given the intangibles relate to hi-tech products.

**Our procedures included, amongst others:**

- Verifying on a substantive basis the existence and cost of eligible expenditure on patents and trademarks.
- Verifying that the capitalisation of costs in relation to patents and trademarks was completed in accordance with relevant recognition and measurement requirements of Australian accounting standards.
- Challenging management's impairment review and overall assessment of the fair value of intangibles recognised at year end.

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

**Responsibilities of the Directors for the Financial Report**

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANALYTICA LIMITED (Continued)



### Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ANALYTICA LIMITED (Continued)**



From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 15 to 24 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Analytica Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of Analytica Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Bentleys.*

Bentleys Brisbane Partnership  
Chartered Accountants

*Ashley Carle*

Ashley Carle  
Partner  
Brisbane  
31 August 2020

## ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 27<sup>th</sup> August 2020.

### Substantial shareholders

The number of substantial shareholders and their associates are set out below:

HALONNA PTY LTD

INOV8 LLC

### Distribution of equity security holders

1 to 1,000	774	359,125	0.01
1,001 to 5,000	238	642,888	0.02
5,001 to 10,000	112	961,053	0.03
10,001 to 50,000	616	17,069,985	0.49
50,001 to 100,000	320	24,619,016	0.7
100,001 and Over	1101	3,475,960,265	98.76
Total	3161	3,519,612,332	100

### Twenty largest share holders

1	HALONNA PTY LTD	422,448,640
2	INOV8 LLC	360,790,157
3	MPAMM PTY LTD	233,042,390
4	M P MONSOUR MEDICAL PRACTICE PTY LTD	156,379,178
5	IGNATIUS LIP PTY LTD	151,073,534
6	DR T M MULLINS + DR P J MULLINS	102,776,626
7	MR M ARUNDEL + MRS S ARUNDEL	75,000,000
8	VAN AM MARKETING PTY LTD	68,375,148
9	HALONNA PTY LTD	60,156,250
10	MR R T M DALY + MRS S K DALY	55,936,240
11	TAMBIEN PTY LTD	51,633,561
12	FITZWILL SUPERANNUATION PTY LTD	50,000,000
13	CMONSUPER PTY LTD	49,632,352
14	W BROOKS INVESTMENTS PTY LTD	48,645,000
15	NEATFORD PTY LTD	40,009,545
16	BNP PARIBAS NOMINEES PTY LTD	34,952,711

---

17	DALROSE PTY LTD	30,000,001
18	MRS SABINA LIP	29,600,000
19	MRS MARGE MEI YU LIP	29,370,586
20	MR M ARUNDEL + MRS S ARUNDEL	29,000,000
		<u>2,078,821,919</u>

## Voting rights

### Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Options

No voting rights.