Analytica Limited

ABN 12 006 464 866

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2020

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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)

Dr Michael Monsour is a Medical Practitioner with extensive interests in Queensland medical and dental 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 and dental 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.

Dr Peter B. Corr.

Non-Executive Director (appointed 23 May 2017)

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 Auven 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 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.

Mr Ross Mangelsdorf

B.Bus, FCA, CTA, MAICD

Executive Director (appointed 7 October 2008)

Mr Mangelsdorf performs the function of Chief Financial Officer.

Mr Mangelsdorf is a Director/partner of a chartered accounting firm for 39 years. He works with SME production, manufacturing and retail firms assisting with business, taxation and management services.

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 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 half year.

Operating results and review of operations for the half year

Operating results

The consolidated loss of the Group for the half year ended 31 December 2020 amounted to $449,565 (December 2019: loss $406,243), after providing for income tax. For the 6 months to December 2020 there is an overall increase in expenses of $96k compared to December 2019. This increase was predominantly attributable to an increase in Research and Development of $53k (upgrade hardware of the PeriCoach completed), an increase in Administration of $43k, a decrease in Marketing $57k, and no options expense. Income increased by $53k, with R&D Tax incentive decrease $55k and the assistance for business support has increased by $120k.

Review of Operations

PeriCoach

Executing the commercialisation strategy for the PeriCoach is focused 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 a major multinational company with the resources to make the PeriCoach a global success.

Best-In-Class

- Substantial investment in the development of PeriCoach has continued this last six months. 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 May 2017. The PeriCoach is currently undergoing redesign to incorporate more features, increase reliability and lower cost of production
- 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.
- The data collected also provides 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.
- The current stage of development is using sophisticated software to improve "technique training". Poor technique is a major contributor to poor results from pelvic floor exercises and the reason many give up. A major upgrade of hardware to improve reliability, and reduce cost of sales as well as enhanced features and reliability.
- Australian (TGA) and European (CE) registration for Stress Urinary Incontinence 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.

Establish and extend clinical credibility of effectiveness

- Analytica conducted a post-clearance randomised, controlled clinical trial for incontinence treatment and sexual function, utilising the version 2 PeriCoach. Although not required for regulatory clearance, this trial was conducted to provide independent evidence and validation of the PeriCoach system efficacy for consumers, clinicians and potential partners.
- Clinical advisory boards consisting of key opinion leaders in both Australia and the United States continue to 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.
- Independent Clinical Trial conducted and published in the prestigious Journal of Female Pelvic Medicine & Reconstructive Surgery, the official Journal of the American Urogynecologic Society by the University of New Mexico led by principal investigator Dr Lauren de Winter. The trial was designed to assess if home biofeedback is non-inferior to standard of care supervised pelvic floor physical therapy (PFPT). The 48 participants study compared the use of a PeriCoach personal biofeedback device with PFPT. PFPT has proven to be an effective tool for reducing stress urinary incontinence symptoms and improving quality of life. The trial successfully showed the PeriCoach was non inferior for treating stress urinary incontinence to traditional supervised pelvic floor physical therapy by pelvic floor physiotherapist, a remarkable result for the PeriCoach.
- A health economics report based on the Clinical Trial conducted by Dr de Winter concluded the "Use of the PeriCoach system significantly improves the quality of life with women with stress urinary incontinence and mixed urinary incontinence and is non inferior to the current state of the care. The system costs significantly less to both patients and payers for similar treatment success and may prevent or delay women from needing expensive surgical treatments.".

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.

- Engagement of clinical advisory board members and key opinion leaders in clinical events.
- 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.
- 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

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. Director Dr Peter Corr, has experience and networks in the US and EU. In addition, advisors have been engaged to assist with the development of the company's partnering strategy.

AutoStart 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 purchasing schedule. Inclusion in this schedule is a prerequisite for all public Queensland health facilities to purchase medical devices. Analytica believes this important step could provide a valuable opportunity to gain some market share in Australia.

As a result of this listing the system has been trialed in a Queensland hospital, with encouraging support. The success of these trials has been applied by Analytica to approach other hospitals to use the burette and adoption rate is increasing.

Analytica is investigating 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 was granted patent protection in China in August 2016. China has an estimated 227 million women with urinary incontinence. Many jurisdictions allow patent protection for 20 years providing patent coverage until 2032. The PeriCoach was granted patent protection in Japan in February 2017. The PeriCoach was granted patent protection in Australia in May 2017. 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 has developed additional novel ideas for future products and product enhancements during the PeriCoach product development process. Analytica aims to investigate these ideas and assess their patentability and commercial viability in the coming year.

Analytica's more recent (2006) patent-pending embodiments of licensed burette patents are maintained for the North American, Australian, and European markets and extended in these regions and China until 2026. Patent protection for this later embodiment of the AutoStart burette was granted in United States in July 2016.

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 the top-level (.com) internet domains with these trademarks.

Financial Review

Financial position

The net assets of the Group have decreased by $449k from 30 June 2020 to a negative $455k at 31 December 2020.

The Company's immediate short term working capital requirements are being provided by the Company's major shareholder. There are a number of commercial initiatives that are advanced but remain incomplete and confidential. The Company believes that if these commercial initiatives can be completed, the Company will have a commercial basis to seek additional equity funding to meet its business objectives.

Events after the reporting date

With the exception of the matter disclosed within Note 7, no other matters or circumstances have arisen since the end of the half 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.

Future developments and results

Continue the commercialisation strategy for the PeriCoach namely:

- Executing the commercialisation strategy for the PeriCoach is focused 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 a competitive partnering agreement with a major multinational company with the resources to make the PeriCoach and AutoStart/AutoFlush burette global success's.

Auditors independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December, 2020 has been received and can be found on page 10 of the interim financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Dr Michael Monsour

Director
Dated this 31 March 2021

Mr Ross Mangelsdorf

Director

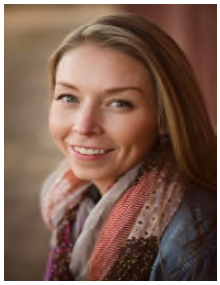
Key Management and Staff

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 10 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 half year ended 31 December 2020 there has been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

Bentleys Brisbane Partnership
Chartered Accountants

Ashley Carle
Partner
31 March 2021

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2020

Continuing operations	Note	Dec-20 $	Dec-19 $
Sales Revenue		-	10,889
Cost of Sales		-	(5,258)
Gross Profit		-	5,631
Grant Income		**653,395**	708,447
Government Business Support		**119,600**	-
Investment revenue		**3**	3,195
Royalty Income		**8,327**	6,095
Administration expense	**2**	**(452,496)**	(409,784)
Depreciation, amortisation and impairments	**2**	**(3,344)**	(4,519)
Finance expenses		**(25,531)**	(34)
Foreign Currency Gains and Losses		**(3,721)**	(7,690)
Investments Fair Value Adjustment		**2,419**	(2,089)
Marketing expenses	**2**	**(37,611)**	(94,512)
Occupancy expenses		**(2,564)**	(3,341)
Option Expenses		-	49,005
Patent maintenance expenses	**2**	**(9,212)**	(11,032)
Research and development expense	**2**	**(698,830)**	(645,615)
Profit before tax		**(449,565)**	(406,243)
Income tax expense		-	-
Net Profit		**(449,565)**	(406,243)
Earnings per share			
Basic/diluted earnings per share (cents)		**(0.013)**	**(0.012)**

Consolidated Interim Statement of Financial Position

As at 31 December 2020

	Dec-20	Jun-20
Assets	**$**	**$**
Current Assets		
Cash and cash equivalents	**647,355**	66,215
Inventories	**114,143**	111,578
Prepayments	**80,784**	138,032
Trade and other receivables	**13,322**	20,323
Total Current Assets	**855,604**	**336,148**
Non-current Assets		
Intangible assets	**355,503**	315,914
Other financial assets	**10,447**	8,028
Property, plant and equipment	**9,139**	7,562
Total Non-current Assets	**375,089**	**331,504**
Total Assets	**1,230,693**	**667,652**
Liabilities		
Current Liabilities		
Directors loans	**1,103,181**	75,154
Employee benefits	**263,491**	254,999
Short-term provisions	**45,648**	66,900
Trade and other payables	**262,463**	267,289
Total Current Liabilities	**1,674,783**	**664,342**
Non-Current Liabilities		
Provision for Long Service Leave	**11,719**	9,554
Total Non-Current Liabilities	**11,719**	**9,554**
Total Liabilities	**1,686,502**	**673,896**
Net Assets	**(455,809)**	**(6,244)**
Equity		
Current Year Earnings	**(449,565)**	(1,620,156)
Issued capital	**103,867,798**	103,867,798
Reserves	**810,569**	852,188
Retained Earnings	**(104,684,611)**	(103,106,074)
Total Equity	**(455,809)**	**(6,244)**

Consolidated Interim Statement of Changes in Equity

For the Half Year Ended 31 December 2020

	Ordinary Shares	Retained Earnings	Option Reserve	Total
	$	$	$	$
Balance at 1 July 2020	**103,867,798**	**(104,726,230)**	**852,188**	**(6,244)**
Profit (loss) attributable to members		**(449,565)**	**-**	**(449,565)**
Shares issued during the year	**-**	**-**	**-**	**-**
Options lapsed during the period	**-**	**41,619**	**(41,619)**	**-**
Transaction costs	**-**	**-**	**-**	**-**
Balance at 31 December, 2020	**103,867,798**	**(105,134,176)**	**810,569**	**(455,809)**

Half Year Ended 31 December 2019

	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	-	(406,243)	-	(406,243)
Options expensed/ (reversed)	-	-	(49,005)	(49,005)
Transaction costs	(5,315)	-	-	(5,315)
Balance at 31 December, 2019	103,867,798	(103,538,613)	878,484	1,207,669

Consolidated Interim Statement of Cash Flows

For the Half Year Ended 31 December 2020

	Dec-20 $	Dec-19 $
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	**-**	10,889
Receipts from grants	**653,395**	708,447
Government Business Support	**119,600**	-
Other receipts	**8,327**	6,095
Interest received	**3**	3,195
Payments to suppliers and employees	**(1,158,171)**	(1,332,463)
Finance costs	**(3)**	(34)
Net cash provided by/(used in) operating activities	**(376,849)**	(603,871)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible asset	**(41,575)**	(40,386)
Purchase of property, plant and equipment	**(2,935)**	-
Net cash used by investing activities	**(44,510)**	(40,386)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Directors' Loans	**1,002,499**	-
Proceeds from issue of shares	**-**	-
Payment of transaction costs	**-**	(38,419)
Net cash used by financing activities	**1,002,499**	(38,419)
Net increase/(decrease) in cash and cash equivalents held	**581,140**	(682,676)
Cash and cash equivalents at beginning of year	**66,215**	1,769,303
Cash and cash equivalents at end of the half year	**647,355**	1,086,627

Notes to the Financial Statements

1: Summary of Significant Accounting Policies

This condensed interim financial report for the reporting period ending 31 December, 2020 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The consolidated interim financial report is intended to provide users with an update on the latest annual financial statements of Analytica Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year within Analytica Limited. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of Analytica Limited for the year ended 30 June 2020, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, other than those outlined in note 1 (f).

The consolidated 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The consolidated interim financial report covers Analytica Limited and its controlled entity, PeriCoach Pty. Ltd. Analytica Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Analytica Limited is Australian dollars.

The financial report was authorised for issue by the Directors on the date the Directors report was signed.

a. 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.

b. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first in first out basis and is net of any rebates and discounts received.

c. Property, plant and equipment

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

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

d. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the interim statement of cash flows and are presented within current liabilities on the interim statement of financial position.

e. Going concern

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

The Company has reviewed its forward cash flow projections, which currently indicate the Company will have sufficient cash to conduct its affairs on the assumption that a successful share capital raising undertaking is executed within the next six months. The Company also has a loan facility agreement in place with Dr Monsour up to $1.5 milion. The balance used of this facility at balance date is $1,103,181, which results in available funds of $396,819 to assist in allowing the company to meet its liabilities. The term of this facility is set to expire at 30 June 2022, however it is the belief of the Directors that this will be extended for the foreseeable future. On this basis, the Directors believe it is appropriate to prepare the financial statements on a going concern basis.

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.

f. Adoption of new and revised accounting standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2020.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. Result for the half year

Revenue from continuing operations

	Dec-20 $	Dec-19 $
Sales Revenue	-	10,889
Government Business Support	**119,600**	-
Grant Income	**653,395**	708,447
Investment revenue	**3**	3,195
Royalty Income	**8,327**	6,095
Total Income	**781,325**	728,626

Expenditure

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

Administration expense		
Administration – compliance	**297,824**	253,777
Administration – employment	**148,492**	149,021
Administration – general	**6,180**	6,986
Total Administration expense	**452,496**	409,784
Depreciation, amortisation and impairments		
Intangible assets	**1,986**	1,986
Property, plant and equipment	**1,358**	2,533
Total Depreciation, amortisation and impairments	**3,344**	4,519
Marketing expenses		
Marketing – employment	**680**	2,158
Marketing – Other	**1,300**	1,966
Marketing – Pericoach	**35,631**	90,388
Total Marketing expenses	**37,611**	94,512
Patent maintenance expenses		
Patent Maintenance - AutoStart Burette	**4,786**	4,719
Patent Maintenance – PeriCoach	**4,426**	6,313
Total Patent maintenance expenses	**9,212**	11,032
Research and development expense		
R & D – Employment	**307,791**	335,761
R & D – Pericoach	**391,039**	309,854
Total Research and development expense	**698,830**	645,615

3. Issued Capital

	Dec-20 $	Jun-20 $
Ordinary shares: 3,519,612,332 (Jun 2020: 3,519,612,332)	**103,867,798**	103,867,798

(a) Ordinary shares

	Dec-20 No.	Jun-20 No.
At the beginning of the reporting period	**3,519,612,332**	3,519,612,332
Shares issued during the year	-	-
At the end of the reporting period	**3,519,612,332**	3,519,612,332

4. 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 Enhanced Infusion System. The Enhanced Infusion System 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. The AutoFlush feature uses the existing IV line to flush syringe and injection port, reducing time, cost and risk.

Analytica has licensed the AutoStart Burette and other burette intellectual property to Medical Australia (Formerly BMDI Tuta) 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.

Notes to the Financial Statements

Segment performance

	Medical Devices		Corporate		Total	
	Dec-20	**Dec-19**	**Dec-20**	**Dec-19**	**Dec-20**	**Dec-19**
	$	$	**$**	$	**$**	$
REVENUE						
Revenue from customers	**-**	10,889	**-**	-	**-**	10,889
Grant revenue	**-**	-	**653,395**	708,447	**653,395**	708,447
Government Business Support			**119,600**	-	**119,600**	-
Royalties	**8,327**	6,095	**-**	-	**8,327**	6,095
Interest revenue			**3**	3,195	**3**	3,195
Total segment revenue	**8,327**	16,984	**772,998**	711,642	**781,325**	728,626
Depreciation & amortisation	**(1,986)**	(1,986)	**(1,358)**	(2,533)	**(3,344)**	(4,519)
Cost of sales	**-**	(5,258)	**-**	-	**-**	(5,258)
Interest expense	**-**	-	**(25,531)**	(34)	**(25,531)**	(34)
Marketing	**(37,611)**	(94,512)	**-**	-	**(37,611)**	(94,512)
Other expense	**-**	-	**(456,362)**	(373,899)	**(456,362)**	(373,899)
Patent maintenance	**(9,212)**	(11,032)	**-**	-	**(9,212)**	(11,032)
Research & development	**(698,830)**	(645,615)	**-**	-	**(698,830)**	(645,615)
Total segment expense	**(747,639)**	(758,403)	**(483,251)**	(376,466)	**(1,230,890)**	(1,134,869)
Segment profit (loss)	**(739,312)**	(741,419)	**289,747**	335,176	**(449,565)**	(406,243)
(e) Segment assets						
Segment assets	**482,968**	414,526	**737,278**	1,126,146	**1,220,246**	1,540,672
Financial assets at fair value through profit and loss			**10,447**	13,581	**10,447**	13,581
Total	**482,968**	414,526	**747,725**	1,139,727	**1,230,693**	1,554,253
(f) Segment liabilities						
Segment liabilities	**-**	**-**	**1,686,502**	346,584	**1,686,502**	346,584

5. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2020, (31 December 2019: None)

6. 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.

Transactions occurred with related parties are shown below.

Loan facility to the company up to $1,500,000 (2019: $400,000) provided by Dr Monsour.

The balance as at reporting date is $1,103,181 (2019: nil), which includes accrued interest of $25,681. Interest of 8.51 % is being paid on this loan.

7. Events Occurring After the Reporting Date

A joint venture agreement was signed with Hebei NACOL Bio-Technology Co., Ltd (**Nacol**) and Shijiazhuang Biosphere Pty Ltd (**Biosphere**), local PRC companies based in Hebei Province on the 29th March 2021.

The joint venture parties have agreed to establish a new limited liability PRC company to manufacture, distribute, sell and use the PeriCoach® device and related app in China, Hong Kong, Taiwan and Macau under licence from Analytica for 10 years commencing on the grant of a business licence for the joint venture.

Under the license, Analytica is entitled to a quarterly 15% royalty from joint venture company sales based on an agreed methodology for determining the PeriCoach sale price.

The joint venture will be located in the Shijiazhuang Free Trade Zone, and will distribute the PeriCoach® device and associated app through networks of postpartum care centers, hospitals, pharmacy chains, and online platforms.

The joint venture interests are Heibei NACOL (65%), Analytica (20%) and Biosphere (15%). The joint venture agreement contains mechanisms to assist Analytica maintain its 20% shareholding until Heibei NACOL has made a total share contribution of RMB 10 million cash.

Analytica's shareholding in the joint venture company confers on it voting rights and rights to share in any surplus on liquidation. As Analytica is entitled to a 15% royalty income from joint venture sales, it is not entitled to share further in the joint venture dividends, which will be distributed to the other joint venture parties in proportion to their shareholdings.

Under the joint venture, Nacol is responsible for the registration of the joint venture company, obtaining the necessary PRC regulatory approvals (including a business license and product approval licence), manufacturing, distribution and marketing of the PeriCoach®.

It is also responsible for providing all the necessary funding for the future development of PeriCoach® (including by way of shareholder loans of not less than five years maturity at interest rates in the PRC) and ensuring that products manufactured by the joint venture company meet ISO standards.

Analytica will retain ownership of the PeriCoach® intellectual property and be entitled to continue to develop it and exploit it independently outside the agreed territories. Any PRC product approvals (for example medical device registration or medical device filing) will be held in the name of Analytica. Joint improvements to the intellectual property will be jointly owned by the joint venture company and Analytica.

Analytica will have 2 board seats out of a total of 5 on the joint venture company. The chairman will be a Nacol director nominee. Shareholder decisions will be made by majority vote except for a number of reserved matters which require the approval of Analytica and Nacol as well as a majority of shareholders holding at least two thirds of the

registered capital of the joint venture company. These include decisions relating to the issue of new shares, distributions of net profit, approval of the annual business plan and budget, material capital expenditure and KPI setting each year.

The technology licence agreement contains commercial provisions which are commonly found in manufacturing and distribution licenses relating to the protection and use of licensed intellectual property for the manufacture, marketing and distribution of products manufactured under licence; compliance with quality assurance standards; reporting of manufacturing costs, production records, historical and sales forecasts; setting KPIs for marketing spend and sales targets each contract year; the auditing of sales to verify royalties; and non compete and non solicitation obligations by the joint venture parties.

With the exception of the above, 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.

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 11 to 23, are in accordance with the *Corporations Act 2001* and:

    a. comply with Australian Accounting Standard, AASB 134 *Interim Financial Reporting*; and

    b. give a true and fair view of the financial position as at 31 December 2020 and of the performance for the half 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.

Directors

Dr Michael Monsour

Mr Ross Mangelsdorf

Dated this 31 March 2021

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Analytica Limited and its controlled entity (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1(e) to the financial report which indicates that the Group is required to undertake a successful capital raising within the next six months to meet forecasted cash needs. These conditions, along with other matters as set forth in Note 1(e), indicate the existence of a material uncertainty that may cast significant doubt about the ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Directors' Responsibility for the Half-Year Financial Report

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

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Bentleys Brisbane Partnership
Chartered Accountants

Ashley Carle
Partner
Brisbane
31 March 2021