

30 April 2015

## ASX ANNOUNCEMENT

### APPENDIX 4C – QUARTERLY CASH FLOW

Analytica Limited (the Company) presents its Appendix 4C for the quarter ended 31st March 2015.

#### Major milestones

- First sales of dual operating system PeriCoach in Australia
- First sales in Europe
- First patient pre-order sales in United States
- Acceptance of iOS app by Apple store
- FDA 510(k) registration United States
- Clinical trial commences recruitment

#### Milestones Consumers

- Launch social media marketing campaign in Australia
- Launch digital media marketing campaign in Australia
- Increase print media activity in women's magazines
- Launch women's bathroom display advertising
- Launch "Leak when you..." campaign
- Sponsor women's sporting events
- Trial Australian pharmacy sales promotion
- Prepare distribution and train helpdesk functions in United States
- Enabling web site prescription sales in United States
- Enabling web site sales in United Kingdom

#### Milestones Clinicians

- Present academic papers at United States continence conference
- Exhibit at continence conferences in Australia, New Zealand and United States
- Exhibit at world Gynaecologist/Urologist conferences
- Exhibit at United States Physical Therapy and Urology nursing conferences
- Promotion by mail, information packs and sales visits to Australian clinicians
- Launch early adopters program in United States
- Expand Australian women's health physio network

Your directors are proud of the regulatory achievements, the speed and coverage of deployment of PeriCoach market and sales strategies. Considering, before mid January 2015, the public were unaware of the PeriCoach, the first pelvic floor muscle training system that includes a monitor, web portal and smartphone app, a great deal has been achieved. Consumers not unlike a herd are hard to get moving and require enough leaders "innovators" (2.5% of the market) to have confidence to commit to buy before the head of the herd "early adopters" (47.5% of the market) joins them. Much as we would like, our resources don't permit us to carpet bomb the media, so the marketing strategy is testing and measuring to maximise effectiveness.

Overwhelming clinical evidence supports pelvic floor exercise as the most effective non-invasive treatment of bladder leakage, and contribution to sexual function. These exercises, although known for nearly 70 years, are not easy. As with all exercises, motivation and accountability are critical success factors, with biofeedback and a personal coach the most effective.

Bladder leakage is embarrassing and uncomfortable, a problem up to three million women in Australia experience particularly after childbirth or menopause. To gain acceptance, appropriate messaging is critical. **Personal recommendation is the goal of our marketing campaign.** We aim to raise the issue of bladder leakage and sexual function in as sensitive and personal manner as possible.

Analytica is conscious of distinguishing the PeriCoach's medical and scientific foundation from perceived competition.

Initial marketing focus was on building an expert clinician network to provide coaching support. This network also reinforces the credentials of the PeriCoach as a serious medical device to build confidence for the most trusted advisers, General Practitioners, to recommend the PeriCoach to patients.

Clinical advisory boards assist with the development of the product and their expertise and involvement lends considerable support, particularly for clinicians, that incontinence thought leaders are involved in a serious solution. Analytica is fortunate to have such highly credentialed members of our Australian clinical advisory boards (appointed early 2014) and the clinical advisory board in the United States of America, (appointed August 2014).

Although not required for registration, Analytica are running clinical trials to provide strong independent proof of the effectiveness of the PeriCoach for incontinence and sexual function.

The last 8 months, with assistance of our clinical advisory board has seen completion of design and participation in the trial. These trials have now commenced patient enrolment. This evidence also assists with health economics and reimbursement strategies, particularly the US.

For most women the PeriCoach is not an insignificant purchase, and trust has to be built to support that buying decision. Behavioural studies indicates it can take up to 16 messages to support a belief.

Recommendation by a friend or respected advisor is the most sought after and trusted advice. Social media is a powerful, although two edged, opportunity to build that trust. Analytica's marketing team approached bloggers to personally use the PeriCoach. These bloggers share their experience and with success generate trusted messages. A slow process but a solid foundation. Resources of articles, expert opinion and testimonials are progressively being deployed to increase knowledge of pelvic floor conditions to generate further messages. In addition digital marketing techniques such as advertising on mother's groups Facebook and blog pages have been deployed to follow up the blogger's message and direct the reader to our web site. The PeriCoach web site has been updated and will continue to evolve directed by the analysis of web traffic statistics.

Recruitment of an Australian sales team was completed in September. Their role is to build the clinicians network and to raise awareness of General Practitioners and other specialist women's health clinicians such as obstetricians and gynaecologists, of the PeriCoach. Analytica believe General Practitioners are key advisers, and the efficacy credentials of the PeriCoach are critical as GP's are inundated with pharmaceuticals and devices to recommend.

Analytica appointed a New York based healthcare marketing communications agency, jacobstahl Inc., who have developed the PeriCoach global communication strategy, positioning and finding global partners and running PR activities in all markets.

Our United States marketing manager supported by jacobstahl continues to build the foundations for the imminent launch into our largest market, the United States. The PeriCoach has been exhibited at major clinician conferences, with strong interest and support. Again the credentials of our clinical advisory boards, lend considerable support. The US market is a very different market and this extensive preparation is to consider all distribution, communication and reimbursement opportunities. Confidence in this approach has been supported with pre-release sales and in the 15 positions in our early adopter program receiving over 50 applications.

Our UK and European marketing manager has developed a strategy that has seen pre-release sales of the PeriCoach and establish a distribution agreement.

Exhibition at large Baby/Parenting expos has commenced to engage young mothers. Other more prominent initiatives to engage directly with women are also in train.

Although marketing and sales are the key focus, development continues to enhance the capability of the PeriCoach and to reduce cost of production.

Research and development expenditure (\$32k), staff costs (\$368k), marketing expenses (\$425k) accounted for the bulk of the operating cash flows for the quarter with the balance being 590k. Sales accounted for 28k of income. The cash on hand at the end of the quarter totalled 2,036k.

The Company continues to have access to a line of credit of \$400k. Loan funding against 2015 R & D tax rebate may be put in place.

Trust is the key to our sales success, and trust has to be built gradually and with clarity. Directors are encouraged with the sales to date which are building as the message and testimonials multiply.

The coming six months are all about sales by growing that trust and that referral base. The PeriCoach is a great product and addresses a large unsatisfied market.

Dr Michael Monsour  
**Chairman, Board of Directors**

*Follow us on:*



*About Analytica Limited*

*Analytica's lead product is the PeriCoach® System – an e-health treatment system for women who suffer Stress Urinary Incontinence. This affects 1 in 3 women worldwide and is mostly caused by trauma to the pelvic floor muscles as a result of pregnancy, childbirth and menopause.*

*PeriCoach comprises a device, web portal and smartphone app. The device evaluates activity in pelvic floor muscles. This information is transmitted to a smartphone app and can be loaded to PeriCloud where physicians can monitor patient progress via web portal. This novel system enables physicians to remotely determine if a woman is performing her pelvic floor exercises and if these are improving her condition.*

*PeriCoach has regulatory clearance in Australia, and has CE mark clearance. Product launches are anticipated in Europe and the US in 2015. The US market for incontinence pads is \$5 billion pa. It is projected that by 2030, 5.6 million women in Australia will suffer urinary incontinence.*



# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

Analytica Limited

ABN

12 006 464 866

Quarter ended ("current quarter")

31/03/2015

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers		
1.2 Payments for		
(a) staff costs	(368)	(968)
(b) advertising and marketing	(570)	(1255)
(c) research and development	(396)	(1114)
(d) leased assets	-	-
(e) other working capital	(81)	(938)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	14	29
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other-		
(a) Net sales income	28	32
(b) R & D Tax Concession	18	988
(c) Royalty Income	1	6
(d) Other Grant Income	-	-
<b>Net operating cash flows</b>	<b>(1354)</b>	<b>(3220)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

		Current quarter \$A'000	Year to date (9 months) \$A'000
1.8	Net operating cash flows (carried forward)	<b>(1354)</b>	<b>(3220)</b>
<b>Cash flows related to investing activities</b>			
1.9	Payment for acquisition of:		
	(a) businesses	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	(42)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (purchase of Convertible Notes )	-	-
	<b>Net investing cash flows</b>	-	(42)
<b>1.14</b>	<b>Total operating and investing cash flows</b>	<b>(1354)</b>	<b>(3262)</b>
<b>Cash flows related to financing activities</b>			
1.15	Proceeds from issues of shares	-	3714
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings:	-	-
1.19	Dividends paid	-	-
1.20	Other Creditors (costs of fund raising)	(35)	(363)
	<b>Net financing cash flows</b>	(35)	3351
	<b>Net increase (decrease) in cash held</b>	<b>(1389)</b>	<b>89</b>
1.21	Cash at beginning of quarter/year to date	3425	1,947
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	<b>Cash at end of quarter</b>	<b>2036</b>	<b>2036</b>

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	62
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payment of director's fees and compulsory superannuation.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	400	0
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	2036	3425
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)	<b>2036</b>	<b>3425</b>

**Acquisitions and disposals of business entities**

	Acquisitions	Disposals
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Date:

Print name:

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