

23 March 2016

Dear Valued Shareholder

Extraordinary General Meeting to approve placement of shares to Chairman Dr Michael Monsour

I am pleased to invite you to attend an Extraordinary General Meeting and have enclosed the Notice of Meeting which sets out the items of business.

The meeting will be held at 10.30am on Friday 22nd April 2016.

This Extraordinary General Meeting is being held to gain shareholder approval for the placement of 333,333,333 shares worth \$1 million to Analytica Chairman, Dr Michael Monsour.

Dr. Monsour's direct subscription, at 0.3 cents (18% above the SPP and other placements) along with the funds raised under the recently announced Shareholder Purchase Plan and the Placement to sophisticated, professional and other investors will be used for working capital and to assist the further development and commercialisation of the PeriCoach System.

The placement to Dr. Monsour supports the recent decision by US Virgin Islands fund INOV8 LLC to take up an approximate 10% cornerstone investment in Analytica (conditional upon shareholders approving the placement to Dr Monsour). Both investments underline the confidence in Analytica's overall strategy, its significant achievements with advancing the PeriCoach and the Company's recent expenditure reduction initiatives. These significant investments place the Company in a very strong position to achieve its overall goal of securing a licensing deal with a major multinational corporation.

Share Purchase Plan

Also enclosed with this extraordinary general meeting notice are details of share purchase plan which closes on the 15th April.

Significant milestones achieved

The Company has achieved strong progress towards this goal over the past 18 months, with regulatory approvals in key launch markets, including 510(k) clearance from the US Food and Drug Administration (FDA) and CE Marking in Europe.

Analytica has also continued to invest in R&D to ensure that the PeriCoach system technology and performance establishes clinical credibility through effectively treating women with urinary incontinence in order to test market acceptance and creating a positive sales environment - both important parts of the goal to secure a licensing agreement.

In addition, important inroads have been made with clinician support for PeriCoach. Analytica maintains Clinical Advisory Boards in the US and Australia comprised of some of the key opinion leaders in women's pelvic floor health. The team also deployed an Early Adopter program in the US in early 2015 to gain clinical and patient insights as soon as possible once the FDA clearance was granted. The results of those studies are bearing fruit in the form of case studies and publishable papers.

Product development is a continuous process and there has been significant progress in the development of the PeriCoach. The current version 3 of the PeriCoach, which is currently in production, adds new, patent-pending functionality that Analytica believes will secure our position as the best technology available.



The analysis of data already collected is yielding exciting results that will assist clinicians in the diagnosis and management of urinary incontinence. We have also put systems in place to collect clinical data, user testimonials and post-market surveys. These will help establish evidence of effectiveness in treating urinary incontinence and sexual function.

In addition, data from our post approval clinical trial is due in 2016 to support further independence evidence of efficacy as a treatment for urinary incontinence and other related conditions.

Our focus this year will be on:

- Continuing to collect additional global clinical proof points and evaluating available data
- Cultivating Key Opinion Leaders in strategic markets
- Ongoing development of the product
- Maintaining sales from existing channels to validate the product and gather further data
- Pursuing new intended uses to increase product valuation. New intended uses include labelling for sexual function and pelvic organ prolapse, and filing for over-the-counter regulatory status in the US
- Positioning the product for a license deal.

I thank you for your continued support at this exciting time for Analytica and look forward to your attendance at this meeting.

Ross Mangelsdorf

Director

For more information about the PeriCoach System, visit: www.PeriCoach.com

For more information about Analytica, visit www.AnalyticaMedical.com

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 and USFDA 510(k) clearance. The product is available for sale in Australia and New Zealand, UK and Ireland, and in the USA by prescription



Analytica Limited

ABN 12 006 464 866

Notice of Extraordinary General Meeting

to be held at

Date: Friday, 22 April 2016

Time: 10:30am (Brisbane time)

Place: Oxley Room, Level 1, Christie Corporate, 320 Adelaide Street, Brisbane Queensland
4000

This is an important document and requires your attention

If you are in any doubt about how to deal with this document, please consult your legal, financial or other professional advisor.

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Analytica Limited will be held at the offices of Christie Corporate, 320 Adelaide Street, Brisbane Queensland 4000 in the Oxley Room, Level 1 at 10:30am (Brisbane time) on 22 April 2016.

The special business to be considered at the meeting is set out below. This Notice should be read in conjunction with the accompanying Explanatory Memorandum. A Proxy Form accompanies this Notice of Extraordinary General Meeting.

Special Business

1 Item 1 – Approval for issue of Monsour Placement Shares and increase of voting power

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

'That, for the purposes of item 7 of section 611 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the acquisition by each member of the Monsour Group of:

- (a) a relevant interest in 333,333,333 Shares under a placement to raise \$1 million at an issue price of \$0.003 per share; and*
- (b) the consequential increase to over 20% in the voting power of the Monsour Group in the Company,*

as described in the Explanatory Memorandum.'

Voting exclusion

In accordance with paragraph (a) of item 7 of section 611 of the Corporations Act and the ASX Listing Rules, no votes may be cast on the resolution in item 1 by the Monsour Group or any of their associates and any votes cast by such persons will be disregarded.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

A report on the issue of Monsour Placement Shares to the Monsour Group from an independent expert (BDO Corporate Finance (QLD) Ltd) is included with the Explanatory Memorandum accompanying this Notice which concludes, in the independent expert's opinion, that the acquisition is not fair but reasonable to holders of Shares whose votes are not to be disregarded on this resolution.

2 Item 2 – Ratification of General Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 109,813,725 fully paid ordinary Shares at an issue price of \$0.00255 per Share, to sophisticated and professional investors.'

Voting exclusion

The Company will disregard any votes cast on the resolution in item 2 by a person who participated in the issue and an associate of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

3 Item 3 – Cancellation of options to SalesForce4Hire, LLC.

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 6.23.2 and for all other purposes, approval is given for the Company to cancel 41,666,667 unvested options granted to SalesForce4Hire, LLC., on the terms and conditions set out in the Explanatory Memorandum.'

Voting exclusion

The Company will disregard any votes cast on the resolution in item 3 by SalesForce and an associate of SalesForce.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

By Order of the Board
Bryan Dulhunty
 Company Secretary

23 March 2016

Notes

- 1 The Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Extraordinary General Meeting will be as it appears in the share register at 7.00pm (Sydney time) on Wednesday, 20 April 2016. Accordingly, those persons are entitled to attend and vote at the meeting.
- 2 If you are eligible, you may vote by attending the meeting in person or by proxy or attorney. A member who is a body corporate may appoint a representative to attend and vote on its behalf.
- 3 To vote by proxy, please complete, sign and return the enclosed proxy form in accordance with the following instructions. If you require an additional proxy form, the Company will supply it on request.
- 4 A member who is entitled to vote at the meeting, may appoint one proxy if the member is only entitled to one vote or one or two proxies if the member is entitled to more than one vote. A proxy need not be a member of the Company.
- 5 Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.
- 6 The proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be executed in accordance with the Corporations Act and the constitution of that corporation.
- 7 To be effective, the proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the meeting or any adjourned meeting (or such lesser period as the Directors may permit):
 - (a) By mail c/- Link Market Services Limited, Locked Bag A14, Sydney South, New South Wales 1235.
 - (b) Online by logging into the Link website using the holding details as shown on the proxy form.
 - (c) By facsimile to +61 2 9287 0309.
 - (d) By hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney, New South Wales 2000.
- 8 Any proxy form received after this deadline including at the meeting will be treated as invalid.
- 9 The Chairman intends to vote all undirected proxy forms in favour of all resolutions.

Defined Terms

Terms defined in section 8 of the Explanatory Memorandum have the same meaning in the Notice of Extraordinary General Meeting.

Explanatory Memorandum

This explanatory memorandum has been prepared to assist shareholders with their consideration of the resolutions to be put to the Extraordinary General Meeting to be held on Friday, 22 April 2016. These explanatory notes should be read with, and form part of, the accompanying Notice of Extraordinary General Meeting.

You should read the Explanatory Memorandum in its entirety before making a decision as to how to vote on the resolutions to be considered at the Extraordinary General Meeting.

Certain defined terms and phrases are used in this Explanatory Memorandum. Please refer to section 8 for their meanings.

Special business

1 Proposed Capital Raising

1.1 Background

On 18 March 2016, the Company announced it was undertaking a capital raising to raise, subject to shareholder approval, approximately \$1.8 million comprising:

- (a) A \$1 million placement to an entity associated with Non-executive Chairman, Dr Michael Monsour (which is subject to shareholder approval) (**Monsour Placement**);
- (b) A \$0.5 million placement to a new cornerstone investor, conditional on the completion of the placement to Dr Michael Monsour's related entity (**Cornerstone Placement**);
- (c) A \$0.3 million placement to non-related parties of the Company (**General Placement**); and
- (d) A share purchase plan offer to all existing shareholders.

Funds raised under the Capital Raising will be applied for working capital purposes, in particular to continue investment in research and development to enhance PeriCoach's technology to ensure that it remains 'best in class', expedite strategic partnership opportunities and raise market awareness and acceptance (**Capital Raising**).

1.2 Placement to Halonna Pty Ltd (an entity associated with Non-executive Chairman, Dr Monsour)

Shareholder approval is sought under the ASX Listing Rules and Corporations Act for the placement of 333,333,333 ordinary shares in Analytica to Halonna Pty Ltd (an entity associated with Non-executive Chairman, Dr Monsour), at an issue price of \$0.003 per Share to raise \$1 million.

The proposed issue price is the Company's volume weighted average price calculated over the last 5 days on which sales in the Company's shares were recorded on the ASX and Chi-X markets immediately preceding the announcement of the Capital Raising.

On completion of the proposed share issue, the Monsour Group will increase its voting power in the Company from 11.8% to up to 28.1 %. If, as expected, the Cornerstone Placement completes after approval is given, the Monsour Group interests will be diluted to approximately 25.71% (and will be subject to further dilution from the issue of further shares under the SPP).

2 Item 1 - Regulatory background

2.1 Corporations Act

Subject to a number of exceptions, section 606 of the Corporations Act prohibits a person acquiring a relevant interest in a listed company's issued voting shares, whether alone or together with its associates, if that person's (or someone else's) voting power in the company increases from a starting point that is 20% or below to more than 20%.

One of the exceptions to this general prohibition is where shareholder approval is obtained in accordance with item 7 of section 611 of the Corporations Act 2001.

(a) Voting Power

Voting power is calculated by aggregating the voting shares in which a person and their associates have a relevant interest.

(b) Associates

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an associate of the other person (**first person**) if:

- (i) the first person is a body corporate and the second person is:
 - (A) a body corporate the primary person controls; or
 - (B) a body corporate that controls the primary person; or
 - (C) a body corporate that is controlled by an entity that controls the primary person;
- (ii) the second person has, or proposes to enter into, a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
- (iii) the second person is a person with whom the first person is acting, or proposing to act, in concert in relation to the designated body's affairs.

(c) Relevant Interests

In broad terms, a person has a relevant interest in shares if the person can control the vote or disposal of those shares, including through a trust. A person is also deemed to have the same relevant interest in shares held by a company in which the person has at least a 20% shareholding.

2.2 Reason why section 611 approval is required

Approval is required for the voting power of the Monsour Group to be increased from 11.8% to up to 28.1%.

The requirement for shareholder approval under item 7 of section 611 of the Corporations Act 2001 is intended to protect the rights of existing shareholders where control of a company may change.

In order to obtain shareholder approval pursuant to item 7 of section 611 shareholders must be provided with all information that is known to the company or the acquirers (or their associates) that is material to the decision on how to vote on the resolution.

In particular, the Corporations Act requires that shareholders be informed as to the following.

- (i) The identity of the person proposing to make the acquisition and their associates.
- (ii) The voting power of each acquirer and their associates as a result of the acquisition.

- (iii) The maximum extent of the increase in voting power of each acquirer and their associates that would result from the acquisition.

2.3 Corporations Act – related party benefit

Shareholder approval under Chapter 2E of the Corporations Act (related party benefits) is not required because the Directors (excluding Dr Monsour) consider that the Monsour Placement Shares will be issued on reasonable arm's length terms, being at an issue price that is the Company's volume weighted average price calculated over the last 5 days on which sales in the Company's shares were recorded on the ASX and Chi-X markets immediately preceding the announcement of the Capital Raising.

2.4 ASX Listing Rules

Dr Monsour is the Non-executive Chairman of Analytica. Halonna Pty Ltd is an entity controlled by Dr Monsour.

Listing Rule 10.11 provides that a listed company must not issue or agree to issue equity securities to a related party (such as a director or an entity controlled by a director) without the approval of its shareholders.

3 Effect of the proposed Placements on Company

3.1 Details of the Monsour Placement

As required by Listing Rule 10.13, further details of the Monsour Placement are as follows:

Name of the acquirer	Halonna Pty Ltd (an entity associated with Non-executive Chairman, Dr Michael Monsour)
Maximum number of Shares that may be acquired	333,333,333 Shares
Issue Price	\$0.003 per share, being the Company's volume weighted average price calculated over the last 5 days on which sales in the Company's shares were recorded on the ASX and Chi-X markets immediately preceding the announcement of the Capital Raising.
Amount raised from the Monsour Placement	\$1 million
Terms of the issue	All shares issued will be fully paid ordinary shares in the Company that rank pari passu and form one class with all other ordinary shares of the Company.
Intended use of funds raised	The funds will be applied to working capital purposes.
Date by which shares will be issued	If approved, it is intended that the shares be issued on or about 22 April 2016, and in any event no later than one month after the general meeting.

3.2 Changes to Analytica's capital structure following the Placements

If the Monsour Placement is approved, the capital structure of Analytica will change as follows:

Transaction	Shares	Percentage ownership	
		Monsour Group	Other Shareholders
Shares currently on issue	1,407,569,910	11.8%	88.2%
Issue of Monsour Placement Shares	333,333,333	N/A	N/A
Total Shares after the Placement	1,740,903,243	28.1%	71.9%

These figures will change (and may change materially) depending on the level of Shareholder participation in the SPP Offer which, as at the date of this notice, is unknown and the issue of the Cornerstone Placement Shares.

For example, if as expected, the Cornerstone Placement Shares are issued (and disregarding any shares issued under the SPP), the capital structure will be:

Transaction	Shares	Percentage ownership	
		Monsour Group	Other Shareholders
Shares currently on issue	1,407,569,910	11.8%	88.2%
Issue of Monsour Placement Shares	333,333,333	N/A	N/A
Cornerstone Placement	202,324,638	N/A	N/A
Total Shares after the Placement*	1,943,227,881	25.7%	74.3%

3.3 The entity making the acquisition under the Monsour Placement – Halonna Pty Ltd

It is proposed that, subject to shareholder approval, Halonna Pty Ltd (an entity associated with Non-executive Chairman, Dr Michael Monsour) will acquire 333,333,333 ordinary shares in Analytica.

The relevant interest held by Dr Monsour and his associates, as at the date of this notice of meeting, are as follows:

Entity	Before Cornerstone Placement and Monsour Placement		Post-Placements*	
	Number of shares held	Voting power	Number of shares held	Voting power
Halonna Pty Ltd	97,164,451	6.90%	430,497,784	22.15%
Dr Michael Monsour	2,606,337	0.19%	2,606,337	0.13%
MPAMM Pty Ltd	44,687,785	3.17%	44,687,785	2.30%
MP Monsour Medical Practice Pty Ltd	19,747,277	1.40%	19,747,277	1.02%
Ann Monsour	2,037,484	0.14%	2,037,484	0.10%
Total	166,243,334	11.81%	499,576,667	25.71%

(for the purposes of Chapter 6 of the Corporations Act, Dr Monsour and his associates are called the **Monsour Group**).

***Notes:**

- 1 These figures may change (and may change materially) depending on the level of Shareholder participation in the SPP Offer which, as at the date of this notice, is unknown.
- 2 This table assumes that the shares are issued to the new cornerstone investor as set out in the Company's announcement dated 18 March 2016.

3.4 Other equity securities held by Monsour Group

The Monsour Group also holds the following equity securities which until exercised, do not confer voting power:

Entity	Options held	Terms of options
Halonna Pty Ltd	14,166,666 ALTOA	Exercisable at \$0.014 on or before 28 February 2018
MP Monsour Medical Practice Pty Ltd	2,500,000 ALTOA	Exercisable at \$0.014 on or before 28 February 2018
	13,000,000 unlisted options	Fully vested options exercisable at \$0.0322 on or before 29 October 2018

3.5 Changes to the Monsour Group's voting power following the Placements

The table below sets out the potential increase in the Monsour Group's voting power if the Monsour Placement is approved and the other share issues proceed (including the Cornerstone Placement).

	Before Cornerstone Placement and Monsour Placement		Post Placements*	
	Relevant Interest	Voting power	Relevant Interest	Maximum voting power
Monsour Group	166,243,334	11.81%	499,576,667	25.71%

***Note** – These figures may change (and may change materially) depending on the level of Shareholder participation in the SPP Offer which, as at the date of this notice, is unknown.

The table reflects that, on completion of the proposed Placements, the Monsour Group will increase its voting power in the Company from 11.81% to up to a maximum of 25.71%.

The Monsour Group's voting power following the completion of the Capital Raising is dependent on the level of participation of Shareholders in the SPP Offer but in any event, the Monsour Group's voting power will not exceed 25.71% (assuming the Cornerstone Placement Shares are issued).

Accordingly, as the Monsour Group's voting power in Analytica will increase from a starting point that is below 20% to more than 20%, shareholder approval under section 611 is required.

The resolution in item 1 seeks approval for the increase in the Monsour Group's voting power which will result upon the issue of the Monsour Placement Shares to Halonna Pty Ltd.

3.6 Monsour's Group participation in SPP Offer

None of the Monsour Group entities will participate in the SPP Offer.

3.7 Pro-forma balance sheet

This section 3.6 contains pro-forma financial information for the Company, reflecting the impact of the Placements (less offer costs) on Analytica. This pro-forma information is provided to give Shareholders an indication of the financial position of the Company following the proposed Placement.

This information is provided on a pro-forma basis only and is likely to differ from the actual financial position of the Company. The pro-forma balance sheet of the Company, assuming that the Placements had successfully completed on 31 December 2015 would have been as follows:

	31 December 2015 (pre- Placement)	Adjustment	Post-Placement
ASSETS			
Current assets			
Cash and cash equivalents	-	1,724,679	1,724,679
Other current assets	2,517,145	-	2,517,145
Total current assets	2,517,145	1,724,679	4,241,824
Non-current assets	124,903	-	124,903
Total non-current assets	124,903	-	124,903
TOTAL ASSETS	2,642,048	1,724,679	4,366,727
LIABILITIES			
Current liabilities			
Bank overdraft	6,274	(6,274)	-
Other current liabilities	832,214	-	832,214
Total current liabilities	838,488	(6,274)	832,214
Non-current liabilities			
Employee benefits	48,621	-	48,621
Total non-current liabilities	48,621	-	48,621
TOTAL LIABILITIES	887,109	(6,274)	880,835
NET ASSETS	1,754,939	1,730,953	3,485,892
EQUITY			
Issued capital	94,678,261	1,730,953	96,409,414
Reserves	561,034	-	561,034
Retained earnings	(93,484,356)	-	(93,484,356)
TOTAL EQUITY	1,754,939	1,730,953	3,485,892

Notes:

- (a) The financial information in this section has been prepared and presented in accordance with the recognition and measurement principles prescribed in the Australian Accounting Standards, other mandatory professional reporting requirements in Australia and the accounting policies adopted by the Company in the preparation of its financial position as at 31 December 2015.

- (b) The financial information is presented in abbreviated form and does not contain all of the disclosures that are usually provided in an annual report prepared in accordance with Australian Accounting Standards and the Corporations Act.
- (c) The pro-forma balance sheet disregards any funds that may be raised under the SPP Offer.

3.8 The intentions of the Monsour Group if the Monsour Placement is approved

Dr Monsour has advised the Board that the Monsour Group supports Analytica's current corporate strategy, in particular, if the Monsour Placement is approved, the Monsour Group does not intend to make any material changes to:

- (a) Analytica's business;
- (b) the deployment of Analytica's fixed assets;
- (c) the future employment of Analytica's employees;
- (d) Analytica's financial or dividend policies; or
- (e) the composition of Analytica's Board.

3.9 Effect on placement capacity under Chapter 7 of Listing Rules

If shareholder approval is given for the purposes of Item 7 of section 611 of the Corporations Act, the Monsour Placement Shares will not reduce the placement capacity of the Company for the purposes of Chapter 7 of the listing rules.

4 Discussions and analysis of the Monsour Placement

4.1 Benefits of the Monsour Placement

The Directors (excluding Dr Monsour) welcome the Monsour Group's continued commitment to the Company and believe that there are significant benefits for Analytica if the Monsour Placement proceeds.

- (a) **(Going concern)** As noted in the Company's half year report on 29 February 2016, if adequate capital raising is not achieved, the Company may be unable to continue as a going concern. The Monsour Placement will provide funds to enable the Company to continue as a going concern.
- (b) **(Strengthen balance sheet)** The proceeds from the Monsour Placement will strengthen the Company's balance sheet by increasing cash assets.
- (c) **(Cornerstone investor benefit)** The Directors (excluding Dr Monsour) believe that the continued demonstration of the Monsour Group's long-term commitment to the Analytica and ongoing participation as a substantial cornerstone investor of the Company provides leadership and confidence for investors to continue to support Analytica.
- (d) **(No discount to market price)** The Monsour Placement Shares are being issued at \$0.003 per Share, being the Company's volume weighted average price calculated over the last 5 days on which sales in the Company's shares were recorded on the ASX and Chi-X markets immediately preceding the announcement of the Capital Raising. It is not uncommon for placements of such size to be issued to cornerstone investors at a discount to market price.
- (e) **(Required funding)** Additional working capital to:
 - (i) continue investment in research and development to enhance PeriCoach's technology to ensure that it remains *'best in class'*;

- (ii) expedite strategic partnership opportunities; and
- (iii) raise market awareness and acceptance.

4.2 Disadvantages of the Monsour Placement

- (a) **(Dilution of voting power)** The issue of the proposed Monsour Placement Shares will have a dilutionary effect on the current voting rights of Shareholders (excluding the Monsour Group) (**Non-Associated Shareholders**). As at the date of this meeting, Non-Associated Shareholders own 87.19% of Analytica, following the proposed Placements (including the Cornerstone Placement), Non-Associated Shareholders will own approximately 74.3% of Analytica. Consequently, Non-Associated Shareholders' voting power and influence over the affairs of the Company will be reduced.
- (b) **(Significant influence)** Even though the Monsour Group will not obtain control of Analytica if the Monsour Placement is approved, the Monsour Placement will increase the Monsour Group's ability to influence the affairs of Analytica, including gaining the ability to block any special resolution or scheme of arrangement put to Shareholders (other than those in which it has an interest and is precluded from voting).

4.3 Independent Expert Report

The Directors resolved to appoint BDO Corporate Finance (QLD) Ltd as an independent expert and commissioned it to prepare a report to provide an opinion as to whether or not the Monsour Placement is fair and reasonable to the Shareholders.

What is fair and reasonable must be judged by the Independent Expert in all the circumstances of the proposal. This requires taking into account the likely advantages and disadvantages to Shareholders if the proposal is approved.

The Independent Expert has provided the Independent Expert's Report and has provided an opinion that it believes the Placement is, on balance, **not fair but reasonable** to the Shareholders and the Company. It is recommended that all Shareholders read the Independent Expert's Report in full.

The Independent Expert's Report is enclosed with the Notice of Extraordinary General Meeting in Annexure A.

5 Item 2 – Ratification of the issue of General Placement Shares

5.1 Regulatory requirements

Listing Rule 7.4 provides that an issue of shares made without the prior approval of shareholders may be treated as having been made with shareholder approval for the purposes of the Company's placement capacity under Listing Rule 7.1 if:

- (a) at the time the issue took place, it did not breach Listing Rule 7.1; and
- (b) the shareholders of the company, in general meeting, subsequently ratify the issue of the shares.

The issue of the General Placement Shares was made in accordance with Listing Rule 7.1 and accordingly, the Company seeks shareholder ratification in accordance with Listing Rule 7.4.

5.2 Effect of Shareholder ratification

If the resolution in item 2 is passed, the Company will retain the flexibility to issue further shares under its enhanced placement capacity (which was approved by shareholders at the 2015 AGM) without shareholder approval.

5.3 Information required by Listing Rule 7.5

The following information is required by ASX Listing Rule 7.5 for the purposes of Shareholder ratification under Listing Rule 7.4:

Number of General Placement Shares allotted	109,813,725
Price at which General Placement Shares were issued	\$0.00255
The basis on which allottees were determined	The Shares were allotted to sophisticated investors (in accordance with sections 708(8) and (10) of the Corporations Act), professional investors (in accordance with section 708(11) of the Corporations Act) and other investors to whom no disclosure is required under the Corporations Act.
The terms of the General Placement Shares issued	All shares issued under the General Placement are fully paid ordinary shares in the Company that rank pari passu and form one class with all other ordinary shares of the Company.
The use (or intended use) of the funds raised	The funds will be applied to working capital purposes.
Voting exclusion statement	A voting exclusion applies to this resolution – please see the notes to Item 2.

5.4 Correction

In its announcement of 18 March 2016, the Company advised that the Cornerstone Placement Shares and the General Placement Shares could be issued within the Company's ordinary placement capacity under the ASX listing rules.

By way of correction, the Company advises that whilst the General Placement Shares were issued within the Company's ordinary placement capacity, a large part of the Cornerstone Placement Shares will be issued under the Company's enhanced placement capacity and disclosure under Listing Rule 7.1A.4 will be made when the Cornerstone Shares are issued.

6 Item 3 – Cancellation of options to SalesForce4Hire, LLC

6.1 Background

On 10 March 2016, the Company announced a number of initiatives to reduce expenditure, including the termination of the agreement with SalesForce4Hire, LLC. (**SalesForce**), Analytica's sales and marketing partner in the United States. Analytica believes sufficient progress has been made towards increasing its user base in the United States and the advances made under the SalesForce4Hire agreement to date has enabled Analytica to build its own base of users from whom 'real time' data can be accessed.

The key features of the SalesForce termination arrangement are:

- payment of US\$130,000 to SalesForce; and
- the cancellation of 41,666,667 unvested options granted to SalesForce on 28 September 2015.

If the options are cancelled, they will no longer be included in the Company's capital structure and will not be taken into account in various calculations which are calculated on a fully diluted basis.

6.2 Regulatory requirements

ASX Listing Rule 6.23.2 provides that a change which has the effect of cancelling an option for consideration can only be made if holders of ordinary shares approve the change.

Accordingly, approval is sought from shareholders to cancel 41,666,667 of the unvested options granted to Salesforce.

6.3 Voting exclusion

A voting exclusion applies to Salesforce and its associates in relation to this item – please see notes to Item 3.

7 Director recommendation and voting intentions

7.1 Director recommendations

(a) Item 1 - Approval for issue of Monsour Placement Shares and increase in voting power

Each Director (excluding Dr Monsour) considers that the resolution in item 1 is in the interests of the Company as a whole. The directors have considered the potential disadvantages set out in section 4.2 and believe that they are more than outweighed by the benefits that the proposed Placement would deliver.

Each Director (excluding Dr Monsour due to his personal interest in item 1) recommends that Shareholders vote in favour of the resolution in item 1.

In making their recommendations, the Directors advise Shareholders to read this Explanatory Memorandum in its entirety, including the Independent Expert's Report, and to seek their own legal and financial advice.

(b) Item 2 – Ratification of the issue of General Placement Shares

Each Director recommends that Shareholders vote in favour of the resolution set out in item 2.

(c) Item 3 – Cancellation of Options

Each Director recommends that Shareholders vote in favour of the resolution set out in item 3.

7.2 Director voting intentions

The Chairman of the Extraordinary General Meeting intends to vote undirected proxies in favour of the resolutions in items 1, 2 and 3.

Each Director (excluding Dr Monsour) intends to vote in favour of the resolutions in items 1, 2 and 3 in respect of the Shares that they hold.

8 Defined terms

The following terms and abbreviations used in the Notice of Extraordinary General Meeting and the Explanatory Statement have the following meanings:

Associate	The meaning given to that term in the Corporations Act
ASX	ASX Limited, trading as the Australian Securities Exchange.
ASX Listing Rules	The listing rules of ASX.
Board	The current board of Directors of the Company.
Capital Raising	The Placements and SPP Offer announced on 18 March 2016
Company or Analytica	Analytica Limited ACN 006 464 866.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Directed Proxy Form	A proxy form which specifies how a proxy is to vote.
Directors	The directors of Analytica.
Explanatory Memorandum	The Explanatory Memorandum accompanying the Notice.
Extraordinary General Meeting or Meeting	The extraordinary general meeting of the Shareholders to be held on 22 April 2016 at 10:30am (Brisbane time) at the offices of Christie Corporate, 320 Adelaide Street, Brisbane Queensland 4000 in the Oxley Room, Level 1.
General Placement	The placement of 109,813,725 Shares to sophisticated and professional investors not related to the Company.
General Placement Shares	109,813,725 Shares to be issued under the General Placement.
Independent Expert	BDO Corporate Finance (QLD) Ltd
Independent Expert's Report	The independent expert's report prepared by the Independent Expert which is Annexure A to this Notice of Meeting.
Monsour Group	Dr Michael Monsour, Halonna Pty Ltd, MPAMM Pty Ltd, MP Monsour Medical Practice Pty Ltd and Ann Monsour.
Monsour Placement	The placement of 333,333,333 Shares to be issued to Halonna Pty Ltd (an entity associated with Dr Monsour).
Monsour Placement Shares	333,333,333 Shares to be issued under the Monsour Placement.
Notice or Notice of Meeting of Notice of Extraordinary General Meeting	This notice of extraordinary general meeting including the Explanatory Statement and the Proxy Form.
Placements	The Cornerstone Placement, Monsour Placement and General Placement
Proxy Form	The proxy form attached to the Notice of Meeting.
Shareholder	A registered holder of Analytica Shares.

Shares	Fully paid ordinary shares in Analytica.
SPP Offer	The Company's offer to eligible shareholders to participate in a Share Purchase Plan to apply for up to \$15,000 of Shares at an issue price of \$0.00255
Undirected Proxy Form	A proxy form which does not specify how the proxy is to vote.

Annexure A – Independent Expert's Report

See attached

**Analytica Limited
Independent Expert's Report**

23 March 2016

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Financial Services Guide

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance (QLD) Ltd ('BDO CFQ' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDO CFQ holds an Australian Financial Services Licence to provide the following services:

- (a) financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, derivatives, managed investments schemes, superannuation, and government debentures, stocks and bonds; and
- (b) arranging to deal in financial products mentioned in a) above, with the exception of derivatives.

General Financial Product Advice

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently any person using this Report must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

The Assignment

BDO Corporate Finance (QLD) Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDO CFQ has been engaged to provide an independent expert's report to the shareholders of Analytica Limited ('Analytica' or 'the Company') in relation to a proposed placement to an associated entity of Dr Michael Monsour, the chairman of Analytica ('the Proposed Placement').

Further details of the Proposed Placement are set out in Section 3. The scope of this Report is set out in detail in Section 4. This Report provides an opinion on whether or not the Proposed Placement is fair and reasonable to Analytica shareholders.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A shareholder's decision to vote in favour of or against the Proposed Placement is likely to be influenced by their particular circumstances, for example, their taxation considerations and risk profile. Each shareholder should obtain their own professional advice in relation to their own circumstances.

Fees, commissions and other benefits we may receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately \$33,000 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Proposed Placement.

Except for the fees referred to above, neither BDO CFQ, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDO CFQ may receive a share in the profits of BDO Group Holdings (QLD) Pty Ltd, a parent entity of BDO CFQ. All directors and employees of BDO Group Holdings (QLD) Pty Ltd and its subsidiaries (including BDO CFQ) are entitled to receive a salary. Where a director of BDO CFQ is a shareholder of BDO Group Holdings (QLD) Pty Ltd, the person is entitled to share in the profits of BDO Group Holdings (QLD) Pty Ltd.

Associations and relationships

From time to time BDO CFQ or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. BDO CFQ has previously provided independent valuation services to Analytica.

The signatories to this Report do not hold any shares in Analytica and no such shares have ever been held by the signatories.

To prepare our reports, including this Report, we may use researched information provided by research facilities to which we subscribe or which are publicly available. Reference has been made to the sources of information in this Report, where applicable. Research fees are not included in the fee details provided in this Report.

Complaints

We are members of the Financial Ombudsman Service. Any complaint about our service should be in writing and sent to BDO Corporate Finance (QLD) Ltd, GPO Box 457, Brisbane QLD 4001.

We will endeavour to resolve the complaint quickly and fairly. If the complaint cannot be satisfactorily resolved within 45 days of written notification, there is a right to lodge a complaint with the Financial Ombudsman Service. They can be contacted on 1300 780 808. This service is provided free of charge.

If the complaint involves ethical conduct, a complaint may be lodged in writing with Chartered Accountants Australia and New Zealand, Queensland Branch, GPO Box 2054, Brisbane QLD 4001. The Australian Securities and Investment Commission ('ASIC') also has an Infoline on 1300 300 630 which can be used to make a complaint and obtain information about investor rights.

Contact Details

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Glossary

Reference	Definition
A\$ or \$	Australian dollars
ABV	Asset-based valuation
Analytica	Analytica Limited
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
Autostart	Autostart Infusion System
BDO CFQ	BDO Corporate Finance (QLD) Ltd
BDO Persons	BDO CFQ, BDO (QLD) or any of its partners, directors, agents or associates
CMR	Controlled Market Release
Company, the	Analytica Limited
Corporations Act, the	The Corporations Act 2001
DCF	Discounted cash flow
FSG	Financial Services Guide
FY	Financial year
MBV	Market-based valuation
Notice of Meeting, the	The Notice of Extraordinary General Meeting and Explanatory Memorandum prepared by Analytica expected to be dated on or about 23 March 2016
Regulations, the	The Corporation Regulations 2001
Report, this	This independent expert's report prepared by BDO CFQ and dated 23 March 2016
RG 111	Regulatory Guide 111: <i>Content of Expert Report</i> , issued by ASIC
RGs	Regulatory guides published by ASIC
VWAP	Volume weighted average price
We, us, our	BDO Corporate Finance (QLD) Ltd

The Non-Associated Directors
Analytica Limited
C/- Mr Bryan Dulhunty
Company Secretary
GPO Box 670
Brisbane QLD 4001

23 March 2016

Dear Shareholders,

Independent Expert's Report

1.0 Introduction

BDO Corporate Finance (QLD) Ltd ('BDO CFQ', 'we', 'us' or 'our') has been engaged to provide an independent expert's report ('this Report') to the shareholders of Analytica Limited ('Analytica' or 'the Company') in relation to a proposed capital raising in the form of a placement to Halonna Pty Ltd, an entity associated with non-executive Chairman of Analytica, Dr Michael Monsour ('the Proposed Placement').

Concurrently with the Proposed Placement, there will be a broader placement to a new shareholder ('the Discounted Placement') as well as a share purchase plan to existing shareholders ('the SPP') at a 15% discount to the 5 last active trading day volume weighted average price ('VWAP') as at 17 March 2016. Together, the Discounted Placement and the SPP are referred to as 'the Discounted Raisings' in this Report. We note that Analytica issued 109,813,725 fully paid shares at an issue price of 0.225 cents per share to raise approximately \$280,000 to sophisticated, professional and other investors on 21 March 2016.

The Proposed Placement may result in Dr Monsour and his related entities increasing their interest in Analytica to a level greater than 20% and potentially as high as 28.70% (excluding the options on issue which are currently well out of the money). In broad terms, section 606 of the Corporations Act 2001 states that a 'relevant interest' in issued voting shares in a listed company cannot be increased from 20% or below to more than 20%, or cannot be increased from a starting point that is above 20% and below 90%. Item 7 of section 611 of the Corporations Act provides an exemption to such prohibited increases in shareholdings in circumstances where the transaction is approved in advance by a resolution passed at a general meeting.

In this Report, BDO CFQ has expressed an opinion as to whether or not the Proposed Placement is 'fair and reasonable' to the non-associated Analytica shareholders. The Proposed Placement can only proceed with approval from the non-associated shareholders as set out in the Notice of Extraordinary General Meeting and Explanatory Memorandum prepared by Analytica and expected to be dated on or about 23 March 2016 ('the Notice of Meeting'). A more detailed discussion of the Proposed Placement is set out in Section 3. The scope of this Report and the basis for assessing the Proposed Placement is set out in detail in Section 4.

We understand this Report will be provided to Analytica shareholders to assist them to make an informed decision on whether to vote in favour of or against the Proposed Placement. This Report has been prepared solely for the use by Analytica shareholders immediately prior to the Proposed Placement to provide them with information relating to the Proposed Placement. Apart from the purpose stated directly above, this Report cannot be used or relied on for any other purpose or by any other person or entity.

This Report should be read in full, including the assumptions underpinning our work together with the other information provided to Analytica shareholders in conjunction with this Report, including the Notice of Meeting prepared by Analytica in relation to the Proposed Placement. This Report does not address circumstances specific to individual Analytica shareholders. An Analytica shareholder's decision to vote in favour of or against the Proposed Placement is likely to be influenced by their own particular circumstances including, for example, their taxation considerations and risk profile. Analytica shareholders should obtain their own professional advice in relation to their own circumstances.

2.0 Summary of Opinion

This section is a summary of our opinion only and cannot substitute for a complete reading of this Report.

2.1 Fairness of the Proposed Placement

This section provides a summary of our assessment of the fairness of the Proposed Placement. A more detailed assessment of the fairness of the Proposed Placement is set out in Section 8.

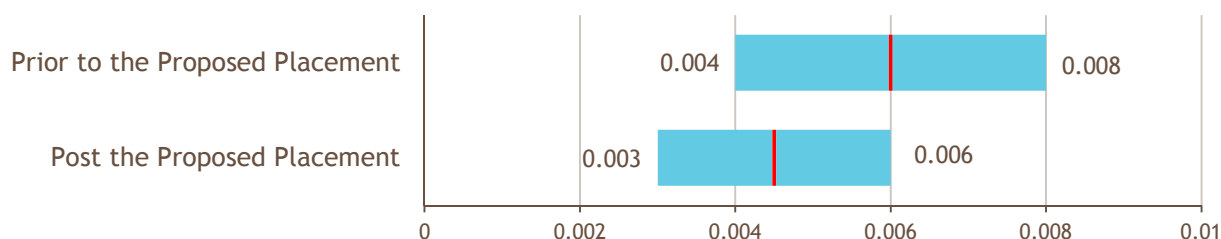
To assess the fairness of the Proposed Placement, we:

- Calculated the value of a share in Analytica on a controlling interest basis prior to the Proposed Placement to be \$0.004 to \$0.008, with a preferred value of \$0.006 (refer to Section 6 for our valuation of Analytica prior to the Proposed Placement);
- Calculated the value of a share in Analytica on a minority interest basis post the Proposed Placement to be in the range of \$0.003 to \$0.006, with a preferred value of \$0.0045 (refer to Section 7 for our valuation of Analytica post the Proposed Placement); and
- Compared the value of an Analytica share determined in (a) above (i.e. prior to the Proposed Placement on a controlling interest basis) to the value of an Analytica share determined in (b) above (i.e. post the Proposed Placement on a minority interest basis).

The Proposed Placement is considered to be fair if the value of an Analytica share post the Proposed Placement is equal to or greater than the value of an Analytica share prior to the Proposed Placement.

Figure 2.1 below summarises our assessment of the fairness of the Proposed Placement, setting out a graphical comparison of our valuation of an Analytica share on a controlling interest basis prior to the Proposed Placement with our valuation of an Analytica share on a minority interest basis post the Proposed Placement.

Figure 2.1: Assessment of the Fairness of the Proposed Placement



Source: BDO CFQ analysis

Having regard to the above, in our view, the Proposed Placement is **Not Fair** to Analytica shareholders as at the date of this Report.

2.2 Reasonableness of the Proposed Placement

Table 2.1 below summarises our view of the advantages and disadvantages associated with the Proposed Placement. Analytica shareholders should refer to Sections 9.1 and 9.2 of this Report for a more detailed discussion of the advantages and disadvantages associated with the Proposed Placement.

Table 2.1: Summary of Potential Advantages and Disadvantages of the Proposed Placement

Advantages	Disadvantages
<ul style="list-style-type: none"> ■ The Proposed Placement is the best proposal available at the current time to fund the Company in the short term. The Company advises that it has no superior alternative proposal and requires a cash injection immediately to continue operating; ■ The Proposed Placement provides equity funding without the debt servicing implicit in hybrid or debt instruments; ■ The Proposed Placement is at a premium to the Discounted Raising and the most recent raising completed; and ■ The Proposed Placement may provide for the continued commitment of the Chairman, Dr Monsour going forward. 	<ul style="list-style-type: none"> ■ The Proposed Placement is not fair; ■ The Proposed Placement dilutes Analytica shareholders' interests; ■ The Proposed Placement introduces the ability for Dr Monsour to block a special resolution; and ■ A takeover offer of the Company may become more difficult following the Proposed Transaction.

Source: BDO CFQ Analysis

If the Proposed Placement is not approved then the potential position of Analytica shareholders may include the following:

- Analytica shareholders will continue to own 100% of the Company;
- Analytica will require an alternative source of capital which may not be able to be secured within the required timeframe;
- Analytica will not be able to recover the costs incurred in relation to the Proposed Placement; and
- The share price of Analytica may differ materially from the share price in the period following the announcement of the Proposed Placement.

The above factors are discussed in more detail in Section 9.3 of this Report.

After considering the advantages, disadvantages and other considerations summarised above and set out in further detail in the balance of this Report, it is our view that, in the absence of any other information, the Proposed Placement is **Reasonable** as at the date of this Report.

2.3 Expert's Opinion on the Proposed Placement

In our opinion, the Proposed Placement is **Not Fair but Reasonable** to Analytica shareholders as at the date of this Report.

We strongly recommend that Analytica shareholders also have regard to the information set out in the balance of this Report before deciding whether to vote in favour of or against the Proposed Placement.

2.4 Other Considerations for Analytica Shareholders

Before forming a view on the Proposed Placement, we strongly recommend that Analytica shareholders:

- Consult their own professional advisers;
- Carefully read all relevant documentation provided to them, including this Report, the Notice of Meeting, and all other information provided; and
- Consider their specific circumstances and assess the way in which those circumstances might impact their decision to vote in favour of or against the Proposed Placement.

The analysis set out in this Report has relied on certain economic, market and other conditions prevailing as at the date of this Report. We note that changes in these conditions may have a material impact on the information presented in this Report. BDO CFQ is not responsible for updating this Report in the event that these circumstances change.

3.0 The Proposed Placement

This section sets out an overview of the Proposed Placement and is structured as follows:

- Section 3.1 summarises the background of the Proposed Placement;
- Section 3.2 sets out the conditions precedent of the Proposed Placement;
- Section 3.3 provides a description of the parties involved in the Proposed Placement;
- Section 3.4 discusses the strategic rationale for the Proposed Placement; and
- Section 3.5 summarises the effects of the Proposed Placement on the ownership interests in Analytica.

3.1 Description of the Proposed Placement and Discounted Raisings

On 18 March 2016 Analytica announced that it had, in respect of the Proposed Placement to Dr Monsour, agreed to place 333,333,333 fully paid ordinary shares at \$0.0030 (the 5-day VWAP as at 17 March 2016) per share, to raise a total of \$1 million.

For the purposes of item 7, section 611 of the Corporations Act, the Proposed Placement is subject to the Company obtaining shareholder approval to allow Dr Monsour to increase his existing holding in the Company to an ownership interest of up to 28.70% (depending on the participation rate in the SPP and completion of the Discounted Placement as described below).

Analytica has also proposed a placement to a new shareholder through the Discounted Placement and an SPP at a 15% discount to the 5-day VWAP as at 17 March 2016 (i.e. a 15% discount to the price at which Dr Monsour is purchasing shares, or \$0.003 per share). According to the announcement released by Analytica on the 18th of March, it is anticipated that approximately \$515,928 will be raised from the Discounted Placement through the issue of 202,324,638 shares.

It cannot be known in advance exactly how many shares will be issued to subscribers under the SPP. We note that the Proposed Placement is not conditional on the Discounted Raisings. The ownership interest that Dr Monsour may hold following the Proposed Placement may be lower than 28.70%, depending on the participation rate in the SPP and the successful completion of the Discounted Placement. Please refer Section 3.4 of this Report for additional information.

Analytica shareholders should refer the Notice of Meeting for a more detailed discussion of the Proposed Placement and Discounted Raisings.

3.2 Description of the Key Parties Involved in the Proposed Placement

3.2.1 Analytica Limited

Analytica sources very early stage concepts and intellectual property and seeks to ensure they can be translated to practical working prototypes. The Company then seeks to develop working products with a goal to partner the commercialisation of those products with the relevant industry participants.

Refer to Section 5.0 of this Report for further information in relation to Analytica.

3.2.2 Dr Michael Monsour

Dr Monsour is currently the Chairman of Analytica and the Company's largest shareholder. Dr Monsour currently has a beneficial interest in 11.81% of Analytica shares¹. Dr Monsour is a medical practitioner with business interests in Queensland medical centres. Dr Monsour operates a medical management company that provides management support to medical practitioners and is also a provider of software systems for Occupational Health and Safety and Medical Accounting.

3.3 Strategic Rationale for the Proposed Placement

The Directors are of the view that the funds raised from the Proposed Placement will provide the Company with working capital to fund its short term cash requirements and progress the commercialisation of its primary product, the PeriCoach System.

¹ Company management

3.4 Effect on Ownership Interests

Table 3.1 below shows the change in ownership interests following the Proposed Placement. This is illustrated using two hypothetical scenarios for the Discounted Raisings:

- The first scenario assumes that no capital is raised through the Discounted Raisings; and
- The second scenario assumes that \$1 million is raised under the Discounted Raisings.

Both scenarios do not consider the options on issue in Analytica which are currently out of the money.

For details on the current equity structure of Analytica, please refer to Section 5.3 of this Report.

Table 3.1: Effects of the Proposed Placement and the Discounted Raisings on Ownership Interests in Analytica

	Prior to Proposed Placement	Proposed Placement & no take up of Discounted Raising ('No Take Up')	Proposed Placement & \$1 million take up of Discounted Raising ('\$1 million Take Up')
Dr Monsour	11.81%	28.70%	23.42%
Other Shareholders	88.19%	71.30%	76.58%
Total	100.00%	100.00%	100.00%

Source: BDO CFQ analysis

4.0 Scope of Report and Methodology for Assessment

4.1 Scope of Report

An independent expert, in certain circumstances, must be appointed to meet the requirements set out in the Corporations Act 2001 ('the Act'), the Corporation Regulations 2001 ('the Regulations'), the regulatory guides ('RGs') published by the ASIC and the listing requirements of the stock exchanges on which a company is listed. The requirements relevant to this Report are summarised in Sections 4.2 and 4.3 below.

The sole purpose of this Report is to express BDO CFQ's opinion on whether the Proposed Placement is fair and reasonable to Analytica shareholders. This Report cannot be used by any other person for any other reason or for any other purpose. A copy of this Report will accompany the Notice of Meeting to be sent to Analytica shareholders by the Company. Analytica shareholders should read in full the Notice of Meeting.

This Report is general financial product advice only and has been prepared without taking into account the specific circumstances of individual Analytica shareholders.

Whether to vote in favour of or against the Proposed Placement is a matter for individual Analytica shareholders based on their expectations as to value, future market conditions and their own particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Analytica shareholders who are in doubt as to the action they should take in relation to the Proposed Placement, should consult their own professional adviser.

4.2 Requirements of the Corporations Act and Regulations

Section 606 of the Act states that, subject to the exceptions set out in section 611, a 'relevant interest' in issued voting shares in a public company cannot be increased from 20% or below, to more than 20%, or from a starting point that is above 20% and below 90%. Broadly, a 'relevant interest' is defined as an interest giving the holder the power to control the right to vote or dispose of shares.

As Dr Monsour may obtain a relevant interest in Analytica of more than 20%, Analytica is seeking an exemption from section 606 under item 7 of section 611 of the Act as explained below.

Item 7 of section 611 allows a party to gain a relevant interest in shares of a public company that would otherwise be prohibited under section 606 of the Act if approved in advance by a resolution passed at a general meeting of the company and:

- No votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares; and
- There was full disclosure of all information known by both the party proposing to make the acquisition, their associates and the company in relation to the proposed transaction which was material to a decision on how to vote on the resolution.

Regulatory Guide 74 'Acquisitions agreed to by Shareholders' states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of Analytica either:

- Undertaking a detailed examination of the proposed transaction themselves if they consider that they have sufficient expertise; or
- Commissioning an independent expert's report.

We have been requested to prepare this independent expert's report to provide additional information to the non-associated shareholders of Analytica to assist them to form a view on whether to vote in favour of or against the Proposed Placement.

4.3 Methodology for Assessment

The Act does not provide any specific guidance in relation to the principles and content of an expert's report relating to the approval of a sale of securities under item 7 of section 611 of the Act. However ASIC are of the view that the report should follow the requirements of other expert reports under the Act and ASIC have set out specific guidance in RG 111 'Content of Expert Reports' ('RG 111') in relation to the approval of the issue of securities under item 7 of section 611 of the Act.

We have referred to RG 111 when determining the appropriate assessment methodology to adopt in this Report. RG 111 provides guidance in relation to independent expert's reports in a range of circumstances, including those where the expert is required to provide an opinion on whether a transaction is 'fair' and 'reasonable' to shareholders.

RG 111 states that the independent expert's report should explain the particulars of how the transaction was examined and evaluated as well as the results of the examination and evaluation. The report should provide an opinion by the expert stating whether or not, in the opinion of the expert, the proposal is fair and reasonable. RG 111 also provides guidance on common valuation methodologies as well as other matters which should be considered by an expert when completing a valuation.

To meet the ASIC requirements, an expert seeking to determine whether a proposal is 'fair and reasonable' should complete the steps set out below.

4.4 Requirements of the Australian Securities Exchange Listing Rules

Dr Monsour is the Non-executive Chairman of Analytica. Halonna Pty Ltd is an entity controlled by Dr Monsour.

Australian Securities Exchange ('ASX') Listing Rule 10.11 provides that a listed company must not issue or agree to issue equity securities to a related party (such as a director or an entity controlled by a director) without the approval of its shareholders.

4.4.1 Step 1 - Assessment of Fairness

RG 111 states that an issue of shares by a company prohibited under section 606 of the Act but which may be approved under item 7 of section 611 has an effect on the company's shareholding that is comparable to a takeover bid. RG 111 states that such transactions should be analysed as if they were takeover bids under Chapter 6 of the Act.²

RG 111 states that a takeover bid can be considered fair if the value of the consideration is equal to or greater than the value of the securities the subject of the proposed transaction. In making this comparison, the expert should not consider the percentage holding of the allottee or its associates in the company. Rather, the expert should assume the allottee obtains control of 100% of the company. For this reason, it is inappropriate for an expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares. An issue of shares by a company prohibited under section 606 of the Act, which may, however, be approved under item 7 of section 611 of the Act is required to be analysed as though it were a control transaction.

The Proposed Placement involves allowing Dr Monsour and entities associated with Dr Monsour to increase their relevant interests in Analytica from a starting point that is below 20%, to a relevant interest in excess of 20% via the Proposed Placement. The Proposed Placement involves an issue of shares prohibited under section 606 of the Act, which may, however, be approved under item 7 of section 611 of the Act. As a result, the Proposed Placement is required to be analysed as though it were a control transaction in accordance with the requirements of RG 111.

Based on the above, in our view, the fairness of the Proposed Placement to Analytica shareholders can be assessed by:

- a) Calculating a value per share for Analytica on a controlling interest basis prior to the Proposed Placement;
- b) Calculating a value per share for Analytica on a minority interest basis following the Proposed Placement; and
- c) Comparing our value from a) above with b) above to allow us to conclude on whether or not the Proposed Placement is 'fair'.

Our work will be completed using publicly available information and other information provided to us by the directors of Analytica.

4.4.2 Step 2 - Assessment of Reasonableness

To assess whether the Proposed Placement is 'reasonable', in our view, it is appropriate to examine other significant factors to which Analytica shareholders may give consideration to prior to deciding whether to vote in

² RG 111 states that references to the 'bidder' and the 'target' should be taken to mean the 'allottee' and the 'company' respectively when considering issues of shares prohibited by section 606 of the Act which may, however, be approved under item 7 section 611 of the Act.

favour of or against the Proposed Placement. This evaluation may involve comparing the likely advantages and disadvantages of approving the Proposed Placement with the position of an Analytica shareholder if the Proposed Placement is not approved, as well as consideration of other significant factors.

4.4.3 Step 3 - Expert's Opinion

Upon completion of steps 1 and 2 above, we will conclude on whether the Proposed Placement is 'fair' and/or 'reasonable' to Analytica shareholders. We note that under RG 111, the Proposed Placement is considered to be 'reasonable' if it is 'fair'. It may also be possible to conclude that the Proposed Placement is 'reasonable' if there are sufficient valid reasons for the approval, notwithstanding that the Proposed Placement may not be 'fair' to the Analytica shareholders.

This Report will conclude by providing our opinion as to whether or not the Proposed Placement is 'fair and reasonable'. While all relevant issues must be considered prior to forming an overall opinion, we will assess the fairness and reasonableness issues separately for clarity.

In this Report, we have not provided any taxation, legal or other advice in relation to the Proposed Placement.

In the process of assessing the Proposed Placement, we have relied on certain economic, market and other conditions prevailing at the date of this Report. We note that changes in these conditions may have a material impact on the results presented in this Report. BDO CFQ is not responsible for updating this Report in the event that these circumstances change.

This Report has been prepared in accordance with professional standard APES 225 'Valuation Services' issued by the Accounting Professional and Ethical Standards Board Limited.

5.0 Background of Analytica³

This section is set out as follows:

- Section 5.1 sets out an overview of Analytica;
- Section 5.2 sets out an overview of Analytica's key products;
- Section 5.3 sets out an overview of the equity structure of Analytica;
- Section 5.4 sets out an overview of recent share trading data for Analytica; and
- Section 5.5 sets out a summary of the historical financial information of Analytica.

5.1 Company Overview

Analytica is a Brisbane-based publicly listed company. Analytica sources very early stage concepts and intellectual property and seeks to ensure they can be translated to practical working prototypes. The Company then seeks to develop working products and with a goal to partner the commercialisation of those products with other industry participants. The Company is dedicated to the design, development and supply of Class I and II medical devices. Analytica shares were listed on the ASX in 2000. The Company currently trades under the stock ticker 'ALT'.

5.2 Key Product Overview

Analytica's primary product is the PeriCoach system for treatment of female urinary incontinence and other pelvic floor health conditions. Analytica also has marketing and distribution rights in relation to AutoStart Infusion System, an infusion system component that aims to save hospital time and money and improve infusion safety.

5.2.1 PeriCoach System

The PeriCoach system includes a device, a free downloadable app and secure portal, which allow both patient and clinician to monitor and evaluate activity in pelvic floor muscles. The device is small, discreet and easy to use, with three patent-pending biofeedback sensors to measure the pelvic floor muscle forces directly. The free smartphone app manages data from the sensor and provides real time audio and visual feedback during exercises. The web portal comprises a secure website where patients and clinicians can access exercise history and news.

Analytica is seeking to establish the PeriCoach System as the leading brand worldwide to treat stress urinary incontinence. Analytica has achieved key regulatory milestones in Australia, the United States, Europe and has launched an enhanced version of PeriCoach in Australia, the United Kingdom, the United States and Ireland.

The availability of the PeriCoach has been limited since its Controlled Market Release ('CMR') in May 2015. Analytica undertook the CMR in order to scrutinise its product and determine areas for improvement before the PeriCoach's release to the wider market. Analytica identified improvements with respect to production, purchasing, logistics, support and its web portal and app software. Specifically, Analytica's updated sensor, which commenced production in late 2015, incorporates both Android and Apple connectivity. Additionally, due to a release of the iPhone 6 and iOS 8, the App Store approvals process may be delayed with app developers submitting new and updated apps.

5.2.2 AutoStart Infusion System

The AutoStart Infusion System ('AutoStart') is a simple and inexpensive solution to regular monitoring and refilling of burettes in intravenous fluid infusion. Analytica currently manufactures, markets and sells AutoStart in Australia, New Zealand, South-East Asia and South America. The AutoStart burette contains an enhanced float system that automatically restarts fluid flow following infused delivery of the predetermined amount of required medication and does not require continual monitoring. The device is designed to meet international burette standard ISO 8536-5 and infusion set standard ISO 8536-4 (where applicable). It can be used as a standard burette by bypassing the AutoStart feature, as well as with gravity feeds or above infusion pumps.

5.3 Equity Structure

As at 23 March 2016, Analytica has 1,407,569,910 fully paid ordinary shares on issue. Additionally, Analytica's outstanding securities options are set out in Table 5.1 below.

³ Information in this section is sourced from Analytica's website www.analyticamedical.com and Analytica management

Table 5.1: Outstanding Securities Options

Class of Option	Number of Options
Long Dated Options - exercisable at 1.4 cents per option and expiring on 28 February 2018	119,372,193
Unlisted Options - exercisable at 3.22 cents per option and expiring on 29 October 2018	44,500,000
Unlisted Options - exercisable at 4.39 cents per option and expiring on 12 February 2019	5,000,000
Unlisted Options - exercisable at 7.33 cents per option and expiring on 22 May 2019	6,350,000
Unlisted Options - exercisable at 1.9 cents per option and expiring on 28 February 2020	52,083,334 ¹
Unlisted Options - exercisable at 0.5 per cent per option and expiring on 8 November 2020	10,000,000
Unlisted Options - exercisable at 1.62 per cent per option and expiring on 10 December 2020	14,000,000
Total	251,305,527

Source: Analytica ASX Announcement, Appendix 3B, 11 December 2015

1 41,666,667 options at 1.9c expiring 28 February 2020 will be cancelled subject to shareholder approval as a result of Analytica terminating its agreement with Salesforce4Hire, the Company's sales and marketing partner in the US, in 2016.

Based on Analytica's share price around at the date of this Report, all of the above option tranches are considered to be out of the money.

5.3.1 Largest Shareholders in Analytica

Table 5.2 summarises the top thirteen shareholders of Analytica as at 1 March 2016.

Table 5.2: Top Shareholders in Analytica*

	Shareholder	Number of Shares (excluding options)	Percentage Holding
1	Michael Monsour	166,243,331	12.810%
2	Ignatius Lip Pty Ltd	51,292,876	3.952%
3	Warren Stephen Brooks	48,645,000	3.748%
4	Ross Mangelsdorf	29,001,793	2.235%
5	Sigrid Jo-Anne Arundel	16,589,000	1.278%
6	Sabrina Lip	11,250,000	0.867%
7	Victor Pereira	10,500,000	0.809%
8	Van Am Marketing Pty Ltd	10,008,599	0.771%
9	Jayem Pty Ltd	8,921,214	0.687%
10	Scott James Burns	8,920,097	0.687%
11	Dalarose Pty Ltd	7,000,000	0.539%

	Shareholder	Number of Shares (excluding options)	Percentage Holding
12	Carl S. Stubbings	2,746,322	0.212%
	Other shareholders	926,637,953	71.404%
	Total shares on issue	1,297,756,185	100.00%

Source: CapitalIQ 1 March 2016

* Analytica announced on 18 March 2016 that it would issue 109,813,725 fully paid shares at an issue price of 0.225 cents per share to raise approximately \$280,000 to sophisticated, professional and other investors to whom no disclosure is required under the Corporations Act.

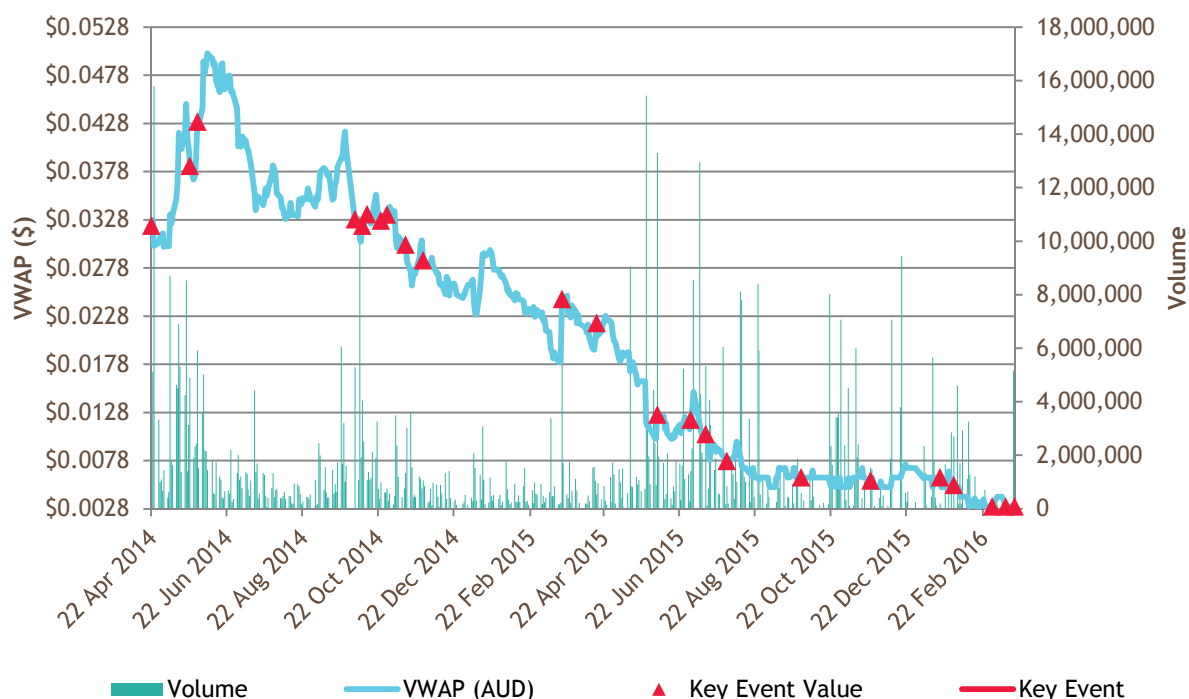
Having regard to Table 5.2 above, we note Dr Monsour has the greatest interest in Analytica at 12.81% as at 1 March 2016. We note this interest did decrease to approximately 11.81% with the issue of the additional 109,813,725 shares on 21 March 2016.

5.4 Share Performance

5.4.1 Share Price Performance

Figure 5.1 shows the daily VWAP and daily volume of Analytica shares traded on the ASX over the period 18 April 2014 to 17 March 2016 inclusive.

Figure 5.3: Daily VWAP and Volume of Analytica Shares Traded from 18 April 2014 to 17 March 2016



Source: Capital IQ as at 18 March 2016

Over the 24 month period graphed in Figure 5.1 above, Analytica's daily VWAP shows a period low of \$0.0030 between 10 February 2016 and 17 March 2016 and a period high of \$0.0500 on 6 June 2014.

In addition to the share price and volume data of Analytica shown above, we have also provided additional information in Table 5.3 below to assist readers to understand the possible reasons for movements in Analytica's share price over the period analysed. The selected ASX announcement references in Table 5.3 below correspond to those displayed in Figure 5.1 above.

Table 5.3: Selected Analytica ASX Announcements between April 2014 and March 2016

Date	Announcement
22/04/14	Announcement of an equity capital raising to raise up to \$3 million (before offer costs) in conjunction with Lead Manager, Patersons Securities Limited.
23/05/14	Analytica announced that, after a series of investor roadshows where it was anticipated that production of the PeriCoach would commence at the end of May 2014, production remained on track to commence next week.
29/05/14	Announcement regarding on-schedule production of PeriCoach with first domestic sales expected in the next few weeks.
03/10/14	Announcement regarding an equity capital raising to raise approximately \$4.01 million (before offer costs) in conjunction with Lead Manager, Patersons Securities Limited.
9/10/14	PeriCoach received CE-Mark clearance to legally market PeriCoach in Europe.
13/10/14	Analytica and SportsMed Global Ltd announced a non-binding Memorandum of Understanding to pursue detailed planning for the integration of the PeriCoach and the SportsMed system.
24/10/2014	Receipt of \$989k from the Australian Taxation Office under the Research & Development Tax Incentive relating to the financial year ended 30 June 2014.
29/10/2014	Completed the design of the Clinical Trial for the PeriCoach system.
13/11/2014	Announcement regarding an updated, dual-operating system product version, with its first batch in the final stages of production and awaiting final iOS app approval from Apple Inc.
19/03/2015	US Food and Drug Administration (FDA) assessed the 510(k) Premarket Notification submission for the PeriCoach system and has issued a Substantial Equivalent letter.
16/04/2015	Commenced patient recruitment for a Clinical Trial for PeriCoach.
04/06/2015	Announcement regarding encouraging early sales results for the company's pelvic floor training system. PeriCoach had only been marketed and available in Australia since late January. FDA clearance was received two months earlier than anticipated and logistics had only just permitted pre-order sales in the US. Solid evidence of acceptance among women.
01/07/2015	The company entered a distribution agreement with Current Technology, Inc. in the US.
13/07/2015	Announcement regarding a rights offer aiming to raise up to \$3.7 million that was to be partially underwritten to \$2.8 million by Lead Manager, Patersons Securities Limited.
30/07/2015	Analytica announced that it recently became aware of an online article originally dated 27 July 2015, which detailed the company's financial position, operational plans, prospects and value. Analytica confirmed the inaccuracy of the article given it was seeking to raise capital under a current pro-rata entitlement offer.
28/09/2015	Announcement regarding its entry into a services agreement with Salesforce4Hire, LLC. to grow sales of PeriCoach in the US market.
23/11/2015	Analytica announced positive results from a survey by its manufacturer, following stress urinary incontinence treatment by surveyed users.
18/01/2016	Analytica announced the receipt of \$1,901,000 from the ATO under the Research and Development Incentive related to the financial year to 30 June 2015.
29/01/2016	Analytica announce appointment of United Kingdom and Ireland PeriCoach Distributors.
29/02/2016	Analytica announce Half Yearly Results for period to 31 December 2015.
10/03/2016	Analytica announce expenditure reduction initiatives for PeriCoach.
18/03/2016	Analytica announce capital raising initiatives to raise approximately \$1.8 million

Source: Analytica ASX Announcements

In Table 5.4 below we have set out Analytica's VWAP for the 1 week, 1 month, 3 months, 6 months, 9 months and 12 months prior to 17 March 2016, being the date Analytica released the announcement of the Proposed Placement. We have set out Analytica's VWAP prior to 17 March 2016 to provide additional information regarding Analytica's share price performance excluding the effects of the Proposed Placement.

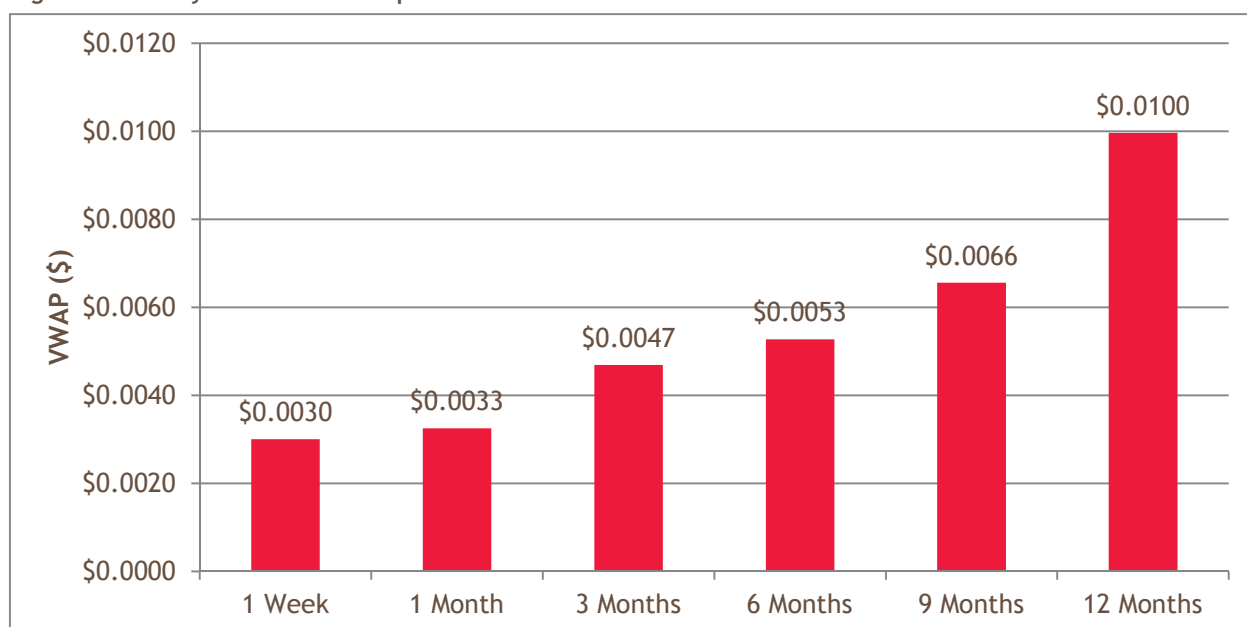
Table 5.4: Analytica's VWAP for Specified Periods Prior to 17 March 2016

Period Prior to 17 March 2016	VWAP
1 Week	\$0.0030
1 Month	\$0.0033
3 Months	\$0.0047
6 Months	\$0.0053
9 Months	\$0.0066
12 Months	\$0.0100

Source: Capital IQ as at 17 March 2016

The information presented in Table 5.4 is shown graphically in Figure 5.2 below.

Figure 5.2: Analytica's VWAP for Specified Periods Prior to 17 March 2016



Source: Capital IQ as at 17 March 2016

5.4.2 Share Liquidity

The rate at which equity instruments are traded is generally referred to as the 'liquidity' of the equity instruments. Changes in liquidity may impact the trading price of equity instruments, particularly depending on the number of equity instruments required to be bought and/or sold and the time period over which the equity instrument holder needs to buy and/or sell those equity instruments. Depending on the circumstances, a movement in market price may or may not represent a shift in value of either the equity instruments or a shift in value of the company to which the equity instruments relate as a whole.

Table 5.5 summarises the monthly liquidity of Analytica shares from March 2015 to February 2016. Liquidity has been summarised by considering the following:

- Volume of Analytica share trades per month;
- Value of total trades in Analytica shares per month;
- Number of shares traded per month as a percentage of total shares outstanding at the end of the month; and

- Volume weighted average price per month.

Table 5.5: Liquidity of Analytica Shares on the ASX

Month	Volume	Value \$	Shares Outstanding	Volume / Shares Outstanding	Monthly VWAP
February 2016	18,223,490	70,600	1,297,337,580	1.40%	\$0.0039
January 2016	20,434,540	109,220	1,297,337,580	1.58%	\$0.0053
December 2015	25,484,710	160,670	1,297,337,580	1.96%	\$0.0063
November 2015	23,885,060	136,710	1,297,337,580	1.84%	\$0.0057
October 2015	34,683,480	185,600	1,297,337,580	2.67%	\$0.0054
September 2015	12,671,280	79,210	1,297,337,580	0.98%	\$0.0063
August 2015	49,299,960	342,020	1,183,354,810	4.17%	\$0.0069
July 2015	58,744,980	644,000	939,220,440	6.25%	\$0.0110
June 2015	43,066,620	486,780	939,220,440	4.59%	\$0.0113
May 2015	43,109,710	610,630	939,220,440	4.59%	\$0.0142
April 2015	13,267,720	273,150	939,220,440	1.41%	\$0.0206
March 2015	23,777,960	540,320	939,220,440	2.53%	\$0.0227
Total	366,649,510	3,638,910	1,138,623,541	32.20%	\$0.0099

Source: Capital IQ as at 17 March 2016

Assuming a weighted average number of 1,138,623,541 Analytica shares on issue over the period, approximately 32.20% of the total shares on issue were traded over the period March 2015 to February 2016. In our view, this indicates that Analytica shares display a moderate to low level of liquidity.

5.5 Historical Financial Information

This section sets out the historical financial information of Analytica. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in Analytica's annual reports, including the full statements of comprehensive income, statements of financial position and statements of cash flows.

Analytica's annual reports have been audited by Bentleys Brisbane Partnership. BDO CFQ has not performed any audit or review of any type on the historical financial information of Analytica. We make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

5.5.1 Statement of Comprehensive Income

Table 5.6 summarises the consolidated statement of comprehensive income of Analytica for the 12-month periods ('FY') ended 30 June 2013, 2014 and 2015 and for the 6-month period ended 31 December 2015.

Table 5.6: Summarised Analytica Statements of Comprehensive Income

	12 Months Ended 30-Jun-13 Audited (\$)	12 Months Ended 30-Jun-14 Audited (\$)	12 Months Ended 30-Jun-15 Audited (\$)	6 Months Ended 31-Dec-15 Reviewed (\$)
Sales and grant revenue	498,081	-	73,824	130,784
Cost of sales	-	-	(22,784)	(65,410)
Gross Profit	498,081	-	51,040	65,374
R&D tax incentive revenue	-	559,668	988,107	1,973,626

	12 Months Ended 30-Jun-13 Audited (\$)	12 Months Ended 30-Jun-14 Audited (\$)	12 Months Ended 30-Jun-15 Audited (\$)	6 Months Ended 31-Dec-15 Reviewed (\$)
Royalty revenue	10,368	5,506	6,228	-
Investment revenue	32,813	22,309	51,219	-
Interest revenue	-	-	-	7,376
Other income	-	-	-	7,271
Total Revenue	541,262	587,483	1,096,594	1,984,042
Loss on disposal of assets	-	-	(194)	-
Administrative expenses	(302,785)	(516,084)	(1,014,953)	(698,651)
Depreciation, amortisation and impairments	(15,395)	(16,908)	(93,365)	(44,236)
Fair value adjustment	(29,252)	39,699	(53,280)	(13,581)
Finance costs	(229)	(3,104)	(384)	(586)
Marketing expenses	(145,367)	(396,620)	(2,292,793)	(1,068,962)
Occupancy costs	(5,221)	(5,784)	(7,020)	(3,121)
Option expenses	-	(515,862)	-	(27,797)
Other currency gains (losses)	-	(2,271)	(27,923)	(35,276)
Patent maintenance	-	(150,763)	(86,778)	(37,940)
Research and development	(1,148,484)	(2,195,794)	(2,835,508)	(1,259,365)
Sundry expenses	(280)	-	-	-
Capital raising costs	(30,000)	-	-	-
Profit/(Loss) before income tax	(1,135,751)	(3,176,008)	(5,315,604)	(1,205,473)
Income tax benefit / (expense)	-	-	-	-
Profit/(Loss) for the period	(1,135,751)	(3,176,008)	(5,315,604)	(1,205,473)

Source: Analytica 2013 - 15 Annual Reports and 2016 Half Year Report

Regarding Table 5.6 above, we note the following:

- Analytica's revenue was significantly higher in FY2013 relative to subsequent years. This is due to an amendment in Analytica's accounting of revenues. In the financial statements for FY2014 and subsequent periods, sales and grants revenue comprised only sales revenue, while grants revenue was accounted for under R&D (research and development) tax incentive revenue;
- Other revenues for FY2014 and FY2015 predominantly comprised R&D tax incentive revenue (2014: \$559,668; 2015: \$988,107); and
- Royalty revenue relates to the income received from the sale of Analytica's existing commercialised AutoStart burette. Other income reported in the six months ended 31 December 2015 (\$7,271) also represented royalty income, as recorded in previous periods;
- Investment revenue is comprised of interest received on term deposits held by Analytica and is reclassified as 'interest revenue' in the financial statements for the six months ended 31 December 2015;
- Analytica incurred \$2,292,793 in marketing expenses in FY2015. This was a significant increase relative to the prior years and is largely a result of marketing the release of the PeriCoach System in May 2015;
- Option expenses incurred in FY2014 (\$515,862) and in the six-month period ended 31 December 2015 (\$27,797) are for new options issued by Analytica in those periods; and
- Analytica incurred losses for each of the above periods as a result of large administrative, marketing, research and development expenses for the manufacturing and testing of its PeriCoach System.

5.5.2 Statement of Financial Position

Table 5.7 summarises Analytica's statement of financial position as at 30 June 2013, 30 June 2014, 30 June 2015 and 31 December 2015.

Table 5.7: Summarised Analytica Statements of Financial Position

	As at 30-Jun-13 Audited (\$)	As at 30-Jun-14 Audited (\$)	As at 30-Jun-15 Audited (\$)	As at 31-Dec-15 Reviewed (\$)
ASSETS				
Current assets				
Cash and cash equivalents	349,416	1,957,868	581,531	-
Trade and other receivables	13,588	36,652	19,493	1,921,777
Inventories	-	177,170	231,692	297,490
Prepayments	7,688	-	-	297,878
Other assets	-	381,638	71,911	-
Total current assets	370,692	2,553,328	904,627	2,517,145
Non-current assets				
Other financial assets	33,431	73,130	19,850	6,268
Property, plant and equipment	6,403	21,647	38,382	34,558
Intangible assets	12,274	176,816	117,184	84,077
Total non-current assets	52,108	271,593	175,416	124,903
Total assets	422,800	2,824,921	1,080,043	2,642,048
LIABILITIES				
Current liabilities				
Borrowings	-	10,342	2,568	-
Bank overdraft	-	-	-	6,274
Trade and other payables	138,533	279,679	488,817	393,540
Directors loans	-	-	-	277,439
Short-term provisions	30,300	42,755	53,650	49,875
Employee benefits	65,473	86,841	113,246	111,360
Total current liabilities	234,306	419,617	658,281	838,488
Non-current liabilities				
Employee benefits	21,751	30,782	40,713	48,621
Total non-current liabilities	21,751	30,782	40,713	48,621
Total liabilities	256,057	450,399	698,994	887,109
EQUITY				
Issued capital	83,943,597	88,792,648	92,114,779	94,676,261
Reserves	-	534,737	534,737	561,034
Retained earnings	(83,776,854)	(86,952,863)	(92,268,467)	(93,484,356)
Total equity	166,743	2,374,522	381,049	1,752,939

Source: Analytica 2013 - 15 Annual Reports and 2016 Half Year Report

Regarding Table 5.7 above, we note the following:

- Trade and other receivables as at the 31 December 2015 are very high relative to other periods. This is largely as a result of \$1,893,605 debtor balance related to research and development grants which has since been received by the Company;
- The balance for prepayments as at 31 December 2015 was \$297,878 and comprised of prepayments for marketing, insurance and subscriptions;
- Other financial assets in 2014 to 2015 comprise investments in Invion previously known as CBio Limited (listed on the ASX). Analytica holds 1,044,712 ordinary shares in Invion, with a market value at 30 June 2015 of \$19,850 (2014: \$73,130). As at 31 December 2015, the market value of the Invion ordinary shares was reported in Analytica's financial statements at a lower value of \$6,268;

- Intangible assets comprise the net carrying values of patents, trademarks and other rights (2014: \$8,223; 2015: \$19,464), licenses and franchises (2014: \$5,607; 2015: nil), and software (2014: \$162,986; 2015: \$97,720); and
- The director loan facility from Dr Monsour represents an unsecured loan facility from MPAMM Pty Ltd, a related entity associated with Dr Monsour. The loan facility is repayable on demand and bears an interest rate of 7.63% for 2015 (2014: 8.13%) per annum (being the annual variable rate as per Westpac Banking Corporation for business loans, plus a margin of 2%). The interest charged for the year ended 30 June 2015 amounted to nil (\$3,045 in 2014). The maximum amount available under the loan agreement is \$400,000. The facility was undrawn as at 30 June 2015 and was subsequently drawn down to \$277,439 as at 31 December 2015.

5.5.3 Statement of Cash Flows

Table 5.8 summarises Analytica's statement of cash flows for the 12-month periods ended 30 June 2013, 30 June 2014, 30 June 2015 and for the half-year ended 31 December 2015.

Table 5.8: Summarised Analytica Statements of Cash Flow

	12 Months Ended 30-Jun-13 Audited (\$)	12 Months Ended 30-Jun-14 Audited (\$)	12 Months Ended 30-Jun-15 Audited (\$)	6 Months Ended 31-Dec-15 Reviewed (\$)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	10,368	-	73,564	130,784
Receipt from grants	655,653	559,668	988,107	-
Receipt from royalty income	-	5,506	6,228	-
Interest received	32,813	22,309	51,216	7,376
Payments to suppliers and employees	(1,561,467)	(3,633,248)	(5,758,761)	(3,531,564)
Finance costs	(229)	(3,104)	(384)	(586)
Interest paid	-	(5,376)	-	-
Net cash (used in)/provided by operating activities	(862,862)	(3,054,245)	(4,640,030)	(3,393,990)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for intangible assets	-	(8,771)	(11,716)	-
Purchase of property, plant and equipment	(6,192)	(187,924)	(38,248)	(7,305)
Net cash used in investing activities	(6,192)	(196,695)	(49,964)	(7,305)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short term loans	-	-	-	277,439
Proceeds from issue of shares	4,585	5,080,101	3,715,642	2,866,866
Payment of transaction costs	-	-	-	(303,384)
Repayment of directors' loan accounts	(11,910)	(213,000)	-	-
Proceeds from directors' loan accounts	12,000	213,000	-	-
Costs of fund raising	-	(231,051)	(394,211)	-
Net cash used in/(provided by) financing activities	4,675	4,849,050	3,321,431	2,840,921
Net increase/(decrease) in cash held	(864,379)	1,598,110	(1,368,563)	(560,374)
Cash and cash equivalents at beginning of period	1,213,795	349,416	1,947,526	554,100 ¹
Cash and cash equivalents at end of period	349,416	1,947,526	578,963¹	(6,274)

Source: Analytica 2013 - 14 Annual Reports and 2015 Half Year Report

¹ The discrepancy between Cash and cash equivalents at end of period 30 June 2015 and cash and cash equivalents at beginning of period for the six month period ended 31 December 2015 represents cash and cash equivalents held in Analytica's wholly owned subsidiary PeriCoach Pty Ltd. The balances for the final six month period set out above reflect management accounts while the other periods reflect consolidated balances as reported in the Company's Annual Reports.

Regarding Table 5.8 above, we note the following:

- As at 30 June 2014 cash and cash equivalents increased to \$1,957,526 (from \$349,416 at the end of the previous financial year) largely as a result of \$5,080,101 in proceeds from the issue of Analytica shares. Additionally, Analytica also received \$559,668 and \$22,309 in grant revenue and interest revenue during FY2014;

- In FY2015 net cash flow was materially negative despite the commencement of the sale of PeriCoach devices and receipt of grant revenue. Payments to suppliers and employees amounted to \$5,758,761; and
- For the six-month period ended the 31 December 2015, the net decrease in cash was significantly lower than for FY2015. There are a number of factors which caused this change, primarily a decrease of approximately \$2,227,197 in payments to suppliers and employees and the receipt of a short term directors' loan of \$277,439.

6.0 Value of Analytica Shares on a Controlling Interest Basis Prior to the Proposed Placement

This section sets out our valuation of the shares in Analytica prior to the completion of the Proposed Placement. This section is set out as follows:

- Section 6.1 sets out our view of the most appropriate valuation methodologies to adopt for the purpose of valuing Analytica;
- Section 6.2 sets out our asset-based valuation of Analytica prior to the Proposed Placement;
- Section 6.3 sets out our market-based valuation of Analytica prior to the Proposed Placement; and
- Section 6.4 sets out our view of the most appropriate value to adopt for each Analytica share, on a controlling interest basis prior to the Proposed Placement, for the purpose of this Report.

6.1 Our Valuation Approach

RG 111 outlines a number of methodologies that a valuer should consider when valuing securities or assets for the purposes of, among other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. The valuation methodologies we have considered in this Report include the discounted cash flow ('DCF'), capitalisation of maintainable earnings ('CME'), asset-based valuation ('ABV') and market-based valuation ('MBV') methodologies. Further details regarding each of these valuation methodologies are set out in Appendix B of this Report.

RG 111 does not prescribe which methodology should be used by the expert but rather notes that the decision lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the securities or assets being valued. We have considered each of the valuation methodologies outlined above and determined, in our view, the most appropriate methodology for calculating the value of Analytica prior to the Proposed Placement. Table 6.1 below summarises our view of the most appropriate valuation methodology to adopt to value Analytica in this Report.

Table 6.1: Common Valuation Methodologies

Methodology	Appropriate?	Explanation
DCF Valuation	×	<p>The DCF methodology relies on the ability to forecast future cash flows with a reasonable degree of certainty over a sufficiently long period of time.</p> <p>Budgets for the 2016 calendar year provided by Analytica indicate that the Company will continue to operate at a loss for the foreseeable future. We have discussed the current situation with Analytica in detail and are advised that this situation will continue unless there is a significant increase in sales.</p> <p>Although Analytica anticipates that it will curtail marketing activities and focus on product testing to certify the efficacy of the product, sales revenue is not anticipated to offset the costs in the foreseeable future.</p> <p>We understand that the current strategy of Analytica is to seek a partner to market the product. The timing of such a partnership, or whether it will occur, is uncertain at the current time.</p> <p>There is significant uncertainty in relation to Analytica and its ability to increase revenues and/or complete a joint venture at the current time. In our view, it is not appropriate to value Analytica using a DCF valuation method in this Report.</p>
CME Valuation	×	<p>The assets owned by Analytica do not currently generate an earnings stream that is suitable for use in a CME valuation methodology.</p> <p>In our view, a CME valuation methodology is not appropriate for the purposes of valuing Analytica shares in this Report.</p>

Methodology	Appropriate?	Explanation
Asset Based Valuation	✓	<p>In our view, it is appropriate to have regard to an ABV methodology for the purposes of valuing Analytica shares in this Report. Many of the assets and liabilities of Analytica can be identified and it is possible to determine the fair value of the identified assets and liabilities with a reasonable degree of accuracy.</p> <p>Notwithstanding the above, we note that the value of the intellectual property held by the Company in the PeriCoach system may not be fully recognised in the balance sheet of Analytica. We have considered this matter in our ABV.</p>
Market Based Valuation	✓ Cross Check	<p>The shares of Analytica are listed on the ASX. It is possible to consider the valuation of Analytica using the market based valuation methodology as there is a readily observable market for the trading of shares in Analytica (refer to Section 5.4). We note that the MBV methodology provides a valuation of Analytica shares on a minority interest basis.</p> <p>There have been recent transactions relating to the issue of shares in Analytica, in the form of share placements. Information relating to those transactions is available and has been referred to in this Report (refer to Section 6.3.3).</p> <p>In our view, it is appropriate to have regard to the market based valuation methodology as a cross-check to our asset-based valuation in this Report.</p>

Source: BDO CFQ analysis

With reference to Table 6.1 above, in our view, it is appropriate to consider the asset-based and market-based valuation methodologies for Analytica in this Report.

6.2 Asset-Based Valuation of Analytica Shares Prior to the Proposed Placement

In order to complete an asset-based valuation of Analytica we have considered the value of Analytica's assets and liabilities as set out in Analytica's statement of financial position as at 31 December 2015 and the most current management accounts. BDO CFQ has not performed any audit or review work on the historical financial information of Analytica. Accordingly, we provide no assurance opinion on the information provided however, we have no reason to believe that the information is false or misleading.

Our asset-based valuation of Analytica is set out as follows:

- Section 6.2.1 sets out the value adopted for Analytica's net assets;
- Section 6.2.2 sets out our discussion of the potential value of the PeriCoach which is not necessarily captured in the balance sheet of Analytica; and
- Section 6.2.3 sets out the asset-based valuation of Analytica prior to the Proposed Placement on a controlling interest basis including adjustments for Analytica's outstanding options.

6.2.1 Net Value of Assets and Liabilities

In order to determine an appropriate value for Analytica's assets and liabilities, we have considered the values set out in Analytica's statement of financial position as at 31 December 2015 and have made enquiries of the Directors and management of Analytica in relation to any material adjustments required to reflect the fair market value of those assets and liabilities for the purposes of this Report.

Table 6.2 below summarises our view, based on our enquiries of the Directors and management of Analytica, of an appropriate value to adopt for Analytica's assets and liabilities for the purpose of the valuation work set out in this Report.

Table 6.2: Value of Analytica's Assets and Liabilities

Item	Value (\$)	Comments
Assets		
Cash and cash equivalents	403,337	Balance as per management accounts as at 29 February 2016.
Trade and other receivables	16,323	Accrued revenue as per management accounts as at 29 February 2016.
Inventory	285,190	Inventory relates mainly to PeriCoach finished goods and PeriCoach work-in-progress as at 29 February 2016.
Prepayments	279,887	Prepayments mainly relate to marketing, insurance, subscriptions and other prepayments to suppliers as at 29 February 2016.
Other financial assets	6,268	Relates to an investment by Analytica in Invion
Property, plant and equipment	35,604	Book value of computer equipment, office equipment, plant and machinery as at 29 February 2016.
Intangible assets	nil	The value of intangible assets is dealt with below in Section 6.2.2.
Liabilities		
Trade and other payables	(358,640)	Accrued expenses, creditor balances and provisions for employee pay as at 29 February 2016.
Short-term provisions	(44,150)	Provisions relate to FBT, audit fees and tax return costs as at 29 February 2016.
Employee benefits	(158,803)	Employee entitlements as at 29 December 2016.
Net assets / (deficiency) excluding PeriCoach System	465,016	

Source: Analytica half-year financial report as at 31 December 2015 and management accounts for the period ended 29 February 2016 and BDO CFQ analysis

With reference to Table 6.2 above, we have calculated the net value of Analytica's assets and liabilities to be a net asset value of approximately \$465,016.

We note that we have not included the funds raised in the most recent raising announced by Analytica on the 18th of March 2016 (\$229,775). We understand that the cash burn of the company throughout the month would offset this raising.

6.2.2 Value of Intellectual Property Not Recorded in the Analytica Balance Sheet

The value of the net assets and liabilities of Analytica set out in Section 6.2.1 does not consider any value for the intellectual property over and above that recorded in the balance sheet of the Company.

Based on our understanding of Analytica's products and our discussions with Analytica management, there are likely two key areas of value in terms of the Company's intellectual property:

- The AutoStart Infusion System; and
- The PeriCoach System.

We understand that Analytica currently owns intellectual property rights to the design of the existing AutoStart burette and the AutoFlush feature, which together form the AutoStart Infusion System. Analytica has contracted exclusively with Medical Australia Ltd ('MLA') to market and sell AutoStart in Australia, New Zealand, the United

Kingdom, the Middle East, South-East Asia, India and China. We understand that Analytica, as a research and development Company, partners with distributors to receive ongoing royalty income for AutoStart. AutoStart royalty income for the years ended 30 June 2013, 2014 2015 and for the six months ended 31 December 2015 was approximately \$30,000 collectively. Based on Analytica's agreement to acquire the exclusive rights to the original AutoStart burette, which has subsequently been reformed and patented by Analytica, the AutoStart was purchased for approximately \$100,000 plus additional royalty payments having regard to cash and options issued at the time.

Having regard to Analytica's rights in respect of the AutoStart and the most recent royalty income received by the Company for AutoStart distribution, we have adopted a value for Analytica's AutoStart at \$140,000. This value accounts for the higher multiples which are often applied to royalty revenue streams.

The PeriCoach System is the flagship product of Analytica. Analytica's primary goal is the development of the PeriCoach. To date, marketing activities relating to the PeriCoach System have not generated the substantial sales the Company requires to establish a maintainable business. Instead, marketing of the PeriCoach has been used to obtain feedback from users and clinicians to further develop the product for widespread distribution.

Currently, Analytica's strategy is to significantly reduce marketing expenditure and use available cash resources to invest in commercialising the product through independent analysis on the efficacy of PeriCoach. Analytica intends to secure a partnership agreement with another company which has the financial and other resources to market the product. Notwithstanding this intent, Analytica has not yet identified an appropriate partner.

Given the limited success of the PeriCoach System to date and no other partnership agreement being in place at the current time, the value of the PeriCoach System is subjective at the date of this Report.

Valuing novel health devices, such as the PeriCoach System, which is in the early stages of commercialisation, is difficult and highly subjective, for reasons including the following:

- The industry is dominated by global players with expansive networks, access to capital and other resources and often partnerships with such global companies, acts as the catalyst for a valuation uplift;
- Early stage health companies, such as Analytica, can struggle to raise funding to continue the development of their assets. This increases the volatility in their valuation as milestones are either met or missed following the utilisation of funds provided from a capital raising;
- At the early stages of commercialisation, the results of independent trials to prove a product's efficacy and the likely take up of the product is often uncertain and difficult to predict;
- There is an ever-present threat of a superior product or solution being developed that supersedes the subject health device;
- Enforcing intellectual property rights can be difficult and/or expensive; and
- The required expenditure to produce the final, fully tested product for the market generally cannot be estimated with any certainty upfront.

There is no information currently available on any companies or transactions which would provide an indicative value for a product of a similar nature to the PeriCoach System. Comparable analysis or benchmarking to value the PeriCoach System is, therefore, of limited use.

To date, we understand that Analytica has invested approximately \$7.2 million towards the development of the PeriCoach System. As noted above, the Company continues to pursue appropriate avenues for commercialisation of the product. In our view, it is appropriate to consider that the fair market value of the product can reasonably be estimated having regard to the costs required to develop the product. This methodology effectively assumes that, in the absence of the meeting of positive milestones to date, a hypothetical purchaser might be prepared to pay up to the total cost of developing the product.

Accordingly, we have adopted a valuation range of \$3.6 million to \$7.2 million for the PeriCoach System. This assumes that a hypothetical purchaser of the PeriCoach system would be willing to pay between 50% and 100% of the development costs incurred by Analytica.

Given the lack of commercial success of the PeriCoach System to date and the lack of an alternative commercialisation path being available, it is appropriate to consider a discount to historical cost at the lower end of the range. It is important to note that the value of the PeriCoach System may increase or decrease materially

within short periods of time as milestones are either met or missed (e.g. a partnering agreement). An assessment of value can only be made at a point in time and having regard to the information available.

6.2.3 Conclusion on ABV

Table 6.3 below summarises our asset-based valuation of Analytica on a controlling interest basis with an adjustment for Analytica's outstanding options prior to the Proposed Placement.

As noted in Section 5.3, Analytica has approximately 251.3 million options on issue as at the date of this Report with various exercise prices and expiry dates. The value of Analytica's options in this Report was calculated using the Black-Scholes option pricing model.

The share price required to be adopted to value the options is the final valuation of Analytica in this Report. This process results in circularity as the value of Analytica relies on the value of the options. To overcome this circularity and value the options, we use an iterative process. This adjustment has been set out in Table 6.3 below.

Table 6.3: ABV of Analytica Prior to the Proposed Placement

	Section Reference	Low Value (\$)	High Value (\$)
Net assets and liabilities	6.2.1	465,016	465,016
Adopted value of Analytica's AutoStart	6.2.2	140,000	140,000
Estimated value of Analytica's PeriCoach System	6.2.2	3,600,000	7,200,000
Asset-based value of Analytica - controlling interest basis		4,205,016	7,805,016
Number of Analytica shares on issue	5.3	1,407,569,910	1,407,569,910
Value per Analytica share - controlling interest basis		0.0030	0.0055
Value per Analytica share - controlling interest basis & adjusted for Analytica's outstanding options		0.0029	0.0053

Source: BDO CFQ Analysis

With reference to Table 6.3 above, our asset-based valuation equates to a value range of \$0.0029 to \$0.0053 per Analytica ordinary share on a controlling interest basis after adjusting for Analytica's outstanding options.

6.3 Market-Based Valuation of Analytica Shares Prior to the Proposed Placement

We have cross-checked our asset-based valuation of an Analytica share using a market-based valuation methodology. We note that a market-based valuation generally provides a value per share on a minority interest basis.

This section sets out our market-based valuation of Analytica ordinary shares by considering:

- The recent share trading data of Analytica;
- The liquidity of Analytica ordinary shares; and
- Recent transactions relating to large parcels of Analytica ordinary shares.

6.3.1 Analysis of Analytica's Share Trading Data

Analytica's ordinary shares are listed on the ASX. Information on the recent share trading data of Analytica shares along with an analysis of recent announcements made by Analytica to the ASX are set out in Section 5.4.1 of this Report.

For the purposes of our market-based valuation, we have assessed the VWAP of Analytica shares over 1 week, 1 month, 3 months, 6 months, 9 months and 12 months prior to 17 March 2016.

Table 6.4: Analytica's VWAP for Specified Periods Prior to 17 March 2016

Period Prior to 17 March 2016	VWAP
1 Week ¹	\$0.0030
1 Month	\$0.0033
3 Months	\$0.0047
6 Months	\$0.0053
9 Months	\$0.0066
12 Months	\$0.0100

Source: Capital IQ as at 17 March 2016

² "1 Week" corresponds to five business days, being the period for which the VWAP is observed to determine the pricing to be utilised for the Proposed Placement.

Table 6.4 shows that the VWAP of Analytica shares over the periods specified ranges from \$0.0030 to \$0.0100.

6.3.2 Liquidity of Analytica Shares

Information on the liquidity of Analytica shares is set out in Section 5.4.2 of this Report.

Assuming a weighted average number of 1,138,623,541 Analytica shares on issue over the period, approximately 32.20% of the total shares on issue were traded over the 12-month period to 17 March 2016. In our view, this indicates that Analytica shares display a moderate to low level of liquidity.

6.3.3 Recent Significant Transactions in Analytica Shares

Analytica completed two capital raisings over the 12-month period to 17 March 2016. These transactions included a rights issue to existing shareholders on 11 August 2015 and the raising of additional capital on 12 August 2015. The capital raisings were to provide additional working capital. Table 6.5 below summarises Analytica's recent capital raisings.

Table 6.5: Analytica Capital Raisings

Date	Transaction	Ordinary Shares Issued	Raising as a % of Analytica Shares Outstanding Prior to Transaction	Transaction Share Price (\$)	Transaction Value (\$)
11-Aug-15	Rights Issue	227,164,628	21.38%	0.008	1,817,317
12-Aug-15	Share Placement (Additional Raising - Top Up Placement)	8,117,144	0.76%	0.008	64,937
21-Mar-16	Share Placement	109,813,725	8.46%	0.00255	280,025

Source: ASX Announcements, BDO CFQ Analysis

With reference to Table 6.5 above, we note the following:

- Two of the share issues set out above both occurred in August 2015 (approximately seven months ago);
- All of the share trades have separately represented 0.76%, 8.46% and 21.38% of the total shares outstanding prior to the completion of each issue of shares. We consider the transactions to relate to minority parcels of shares;
- The largest transaction is the share placement on 12 August 2015 at \$0.008 representing 21.38% of shares outstanding prior to the issue and it is relatively recent. We note that existing shareholders were offered to purchase one share for every two shares held. Dr Monsour acquired 34,952,999 shares in this rights offer equating to a 26.62% increase in the number of share held by Dr Monsour. Dr Monsour's shareholding following the rights offer decreased from 13.98% to 12.81%;

- In the period following the share placement and rights issue in August 2015 at \$0.008 per share, Analytica continued to expend significant funds as a result of the launch of the PeriCoach System in the US and UK, which required significant marketing and market research expenses. Analytica also experienced an increase in administrative expenses generally as a consequence of this activity; and
- Since the August raisings, the only capital raising completed was at a 15% discount to the current trading price at the time of its announcement.

6.3.4 Conclusion on MBV (Minority Basis)

Having regard to the information set out above, in our view it is appropriate to adopt a value of \$0.0030 to \$0.0080 per Analytica ordinary share on a minority interest basis for our market based valuation. This value broadly correlates with:

- The 1-week VWAP prior to the announcement of the Proposed Placement of \$0.0030; and
- The share placements on the 11 August 2015 and 12 August 2015 collectively amounting to approximately 235 million shares were both issues at \$0.008 for a minority interest in the Company.

We are of the view that the most recent lower VWAP (\$0.0030) reflects recent developments for Analytica and that it is appropriate to adopt that value for the low end of our range using the MBV methodology. We view the most recent August capital raising as an appropriate high end value for our market-based valuation as it represents a relatively recent material capital raising which was completed by the Company. We note, however, that developments since that capital raising could generally be considered negative, relative to the circumstances and expectations which existed when the capital was raised.

With respect to the market-based valuation range outlined above, we have considered the relevant adjustment for a control premium. This is often observed where an acquirer launches a takeover bid, or some other mechanism for control, for another company. Empirical research suggests that control premiums are typically within the range of 20% to 40% which is consistent with the control premiums generally observed in recent control transactions in Australia (refer to Appendix C for our control premium research).

In our view, it is appropriate to adopt a control premium of 30% in this Report to calculate the value of Analytica on a controlling interest basis.

6.4 Value per Analytica Share Prior to the Proposed Placement

The results of our asset-based valuation and market-based valuation of Analytica shares are summarised in Table 6.6. We have referred to the valuation ranges set out in Table 6.6 for the purposes of determining our opinion on the fairness of the Proposed Placement to Analytica shareholders in this Report.

Table 6.6: Analytica Share Valuation Summary

	Section Reference	Low (\$)	Mid (\$)	High (\$)
Asset-based valuation (Before the Proposed Placement) <i>Controlling interest</i>	6.2	0.0029	0.0041	0.0053
Market based valuation (Before the Proposed Placement) <i>Minority interest</i>	6.3	0.0030	0.00550	0.0080
<i>Adjusted for controlling interest</i>		0.0039	0.0072	0.0104

Source: BDO CFQ Analysis

For the purposes of the analysis set out in this Report and to assess the fairness of the Proposed Placement, in our view, it is appropriate to consider the following valuation ranges:

- Our ABV of Analytica is in the range of \$0.0029 to \$0.0053 with a mid-point of \$0.0041 on a controlling interest basis; and

- Our MBV of Analytica is \$0.0039 to \$0.0104 on a controlling interest basis with a mid-point of \$0.0072 (as a result of the application of a control premium to our MBV of \$0.0030 to \$0.0080 on a minority interest basis). As set out in section 6.1, we have considered the MBV as a cross check valuation methodology in this Report.

Having regard to the valuation methodologies we have adopted, for the purposes of this Report we have utilised a valuation range of \$0.004 to \$0.008 for an Analytica share on a controlling interest basis, prior to the Proposed Placement.

For completeness, we note that the valuation range calculated above is relatively wide. It is our view that it is appropriate to adopt a relatively wide range having regard to the relatively early stage of commercialisation of the key asset of Analytica and the speculative nature of novel healthcare device companies generally.

6.5 Impact of the Discounted Raisings

Analytica is also seeking to undertake the Discounted Raisings in which existing and a new shareholder will have the opportunity to acquire new Analytica shares at a 15% discount to the 5-day VWAP as at 17 March 2016.

We have not made an adjustment to our calculations of the value of an Analytica share prior to the Proposed Placement to account for the Discounted Raising. The Proposed Placement is not conditional on the Discounted Raisings. It is not relevant to consider the Discounted Raisings in our assessment of the Proposed Placement. For completeness we have commented further on the impact of the Discounted Raisings in Section 8.2 and based on our analysis we confirm that any capital assumed to be raised under the Discounted Raising does not impact the conclusions set out in this Report.

7.0 Value of Analytica Shares on a Minority Interest Basis Post the Proposed Placement

This section sets out our valuation of Analytica shares on a minority interest basis post the Proposed Placement and is structured as follows:

- Section 7.1 sets out our view of the most appropriate methodology to adopt to value each Analytica share;
- Section 7.2 sets out our calculation of the value of each Analytica share using the asset-based valuation methodology; and
- Section 7.3 sets out our view of the most appropriate value to adopt for each Analytica share for the purpose of this Report post the Proposed Placement.

7.1 Our Valuation Approach

In our view, it is appropriate to adopt consistent valuation methodologies to value Analytica assuming the Proposed Placement is approved when compared to the valuation methodologies we adopted to value Analytica prior to the Proposed Placement.

7.2 Asset Based Valuation of Analytica Post the Proposed Placement

7.2.1 Value of Analytica's Assets and Liabilities

In our view it is appropriate to adopt the same values as set out in Section 6.2.1 above for Analytica's assets and liabilities. With reference to Table 6.2 above, we calculate the net value of Analytica's assets and liabilities to be between \$4,205,016 and \$7,805,016.

7.2.2 Impact of the Proposed Placement

If the Proposed Placement is approved, Analytica is expected to increase its net assets by \$1,000,000, representing the total proceeds from the Proposed Placement

Under the Proposed Placement, new shares will be issued to Dr Monsour at a value equivalent to the 5-day VWAP recorded on 17 March 2016. Based on the 5-day VWAP recorded on 17 March 2016 (\$0.0030), Dr Monsour will be issued approximately 333,333,333 additional shares in Analytica.

Table 7.1 below sets out the number of shares outstanding post the Proposed Placement.

Table 7.1: Number of Shares Outstanding

	Number of Shares
Shares outstanding prior to the Discounted Rasings and the Proposed Placement	1,407,569,910
Shares to be issued under the Proposed Placement	333,333,333
Total number of shares outstanding	1,740,903,243

Source: Analytica, BDO CFQ Analysis

7.2.3 Application of a Minority Interest Discount

An asset-based valuation typically calculates the value of a company on a controlling interest basis. As the valuation of Analytica set out in this section is an asset-based valuation (i.e. a controlling interest basis) we are required to apply a minority discount to calculate the value on a minority interest basis. We note that a minority interest in a company is generally regarded as being less valuable than controlling interest as a controlling interest may provide the owner with the following:

- Control over the operating and financial decisions of the company;
- The right to set the strategic direction of the company;
- Control over the buying, selling and use of the company's assets; and

- Control over the appointment of staff and setting of financial policies.

As set out in Section 6.3.4 above, a controlling interest premium of 20% to 40% is applied to account for a controlling interest in Analytica. The inverse of this range to apply for a minority discount is 16.7% to 28.6%.⁴ For the purposes of this Report, in our view it is appropriate to adopt a minority discount of 23% to calculate the value of Analytica shares on a minority interest basis. We have adopted a minority discount at the mid-point of our range for consistency with our assessment of a control premium in Section 6.3.4.

7.2.4 Asset Based Valuation of Analytica on a Minority Interest Basis

Table 7.2 below summarises our asset-based valuation of Analytica on a minority interest basis post the Proposed Placement with adjustments made for Analytica's outstanding options. We have calculated the values set out in Table 7.2 below as follows:

- Adopted the asset based values of Analytica on a controlling basis prior to the Proposed Placement from Section 6.2;
- Increased the value of Analytica's assets by \$1,000,000, being the proceeds from the Proposed Placement (refer to Section 7.2.2);
- Increase the number of shares outstanding by 333,333,333 (refer to Section 7.2.2); and
- Apply a minority discount of 23% (refer to Section 7.2.3).

Table 7.2: Asset Based Valuation of Analytica Post the Proposed Placement on a Minority Interest Basis

	Section Reference	Low Value (\$)	High Value (\$)
Adopted ABV of Analytica prior to the Proposed Placement	6.2.1	4,205,016	7,805,016
Net proceeds from the Proposed Placement	7.2.4	1,000,000	1,000,000
ABV of Analytica - controlling interest basis		5,205,016	8,805,016
Less: Minority interest discount	7.2.3	-23%	-23%
ABV of Analytica - minority interest basis		4,007,862	6,779,862
Number of Analytica shares on issue	5.2 & 7.2.2	1,740,903,243	1,740,903,243
Value per Analytica share - minority interest basis		0.0023	0.0039
Value per Analytica share - minority interest basis & adjusted for Analytica's outstanding options¹		0.0023	0.0038

Source: BDO CFQ Analysis

¹ Refer to Section 6.2.3 for explanation regarding adjustment of share price to account for Analytica's outstanding options.

Our asset-based valuation of Analytica shares post the Proposed Placement is in the range of \$0.0023 to \$0.0038 on a minority interest basis.

7.3 MBV of Analytica Post the Proposed Placement

7.3.1 Market Value of Analytica's Shares

For the purposes of our market-based valuation of Analytica shares, in our view, it is appropriate to adopt the same values as set out in Section 6.3.4 above for Analytica's share price. With reference to Table 6.6 above, we determined the price of one Analytica share to be in the range of \$0.0030 to \$0.0080 on a minority interest basis. For the purposes of this analysis, and for reasons set out in Section 6.5, we have not made an adjustment for any additional funds are raised through the Discounted Raisings.

⁴ Calculated as: $1 - 1/(1 + \text{control premium})$

7.3.2 Impact of the Proposed Placement

The impact of the Proposed Placement to Analytica's cash levels is detailed in Section 7.2.2 above. We note that the impacts set out in Section 7.2.2 above apply similarly for the MBV as applied for the ABV.

7.3.3 Market-Based Valuation of Analytica Post the Proposed Placement

Table 7.3 below summarises our market-based valuation of Analytica on a minority interest basis post the Proposed Placement. We have calculated the values set out in Table 7.3 below as follows:

- Adopted the market based value of Analytica on a minority interest prior to the Proposed Placement from Section 6.3;
- Calculated the market capitalisation of Analytica using the adopted market-based valuation of Analytica's share price and the number of ordinary shares currently outstanding prior to the Proposed Placement;
- Increased the value of Analytica's assets by \$1,000,000, being the proceeds from the Proposed Placement (refer to Section 7.2.2); and
- Increased the number of shares outstanding by 333,333,333 shares, being the number of shares to be issued as part of the Proposed Placement (refer to Section 7.2.2).

Table 7.3 below sets out our market based valuation of Analytica post the Proposed Placement.

Table 7.3: Market-Based Valuation of Analytica Post the Proposed Placement on a Minority Interest Basis

	Section Reference	Low	High
Adopted MBV of Analytica prior to the Proposed Placement	6.3.4	\$0.0030	\$0.0080
Number of Analytica shares on issue prior to the Proposed Placement	5.3	1,407,569,910	1,407,569,910
MBV of Analytica prior to the Proposed Placement - minority interest basis		\$4,222,710	11,260,559
Net proceeds from the Proposed Placement	7.2.2	\$1,000,000	\$1,000,000
MBV of Analytica - minority interest basis		\$5,222,710	\$12,260,559
Number of Analytica shares on issue	5.3 & 7.2.2	1,740,903,243	1,740,903,243
Value per Analytica share - minority interest basis		\$0.0030	\$0.0070

Source: BDO CFQ Analysis

Based on our analysis in Table 7.3 above, our market-based valuation of an Analytica share post the Proposed Placement on a minority interest basis in the range of \$0.0030 to \$0.0070.

7.4 Value per Analytica Share Post the Proposed Placement

The results of our asset-based valuation and market-based valuation of Analytica shares are summarised in Table 7.4 below. We have referred to the valuation ranges set out in Table 7.4 for the purposes of determining our opinion on the fairness of the Proposed Placement to Analytica shareholders in this Report.

Table 7.4: Analytica Share Valuation Summary

	Section Reference	Low (\$)	High (\$)
Asset based Valuation (Post the Proposed Placement) <i>Minority interest</i>	7.2	0.0023	0.0038
Market based valuation (Post the Proposed Placement) <i>Minority interest</i>	7.3	0.0030	0.0070

Source: BDO CFQ Analysis

For the purposes of the analysis set out in this Report and to assess the fairness of the Proposed Placement, in our view, it is appropriate to consider the following valuation ranges for Analytica shares on a minority basis post the Proposed Placement:

- Our ABV of Analytica in the range of \$0.0023 to \$0.0038; and
- Our MBV of Analytica in the range of \$0.0030 to \$0.0070.

In our view, for the purposes of the analysis set out in this Report, it is appropriate to adopt a value per Analytica ordinary share on a minority interest basis in the range of \$0.003 to \$0.006, with a preferred value of \$0.0045 post the Proposed Placement.

8.0 Fairness of the Proposed Placement

8.1 Fairness Conclusion

To assess the fairness of the Proposed Placement, we:

- Calculated the value of a share in Analytica on a controlling interest basis prior to the Proposed Placement to be between \$0.004 to \$0.008, with a preferred value of \$0.006 (refer Section 6.0 of this Report for our valuation of Analytica prior to the Proposed Placement);
- Calculated the value of a share in Analytica on a minority interest basis post the Proposed Placement to be in the range of \$0.003 to \$0.006, with a preferred value of \$0.0045 (refer Section 7.0 of this Report for our valuation of Analytica post the Proposed Placement); and
- Compared the value of an Analytica share determined in (a) above (i.e. prior to the Proposed Placement on a controlling interest basis) to the value of an Analytica share determined in (b) above (i.e. post the Proposed Placement on a minority interest basis).

The Proposed Placement is considered to be fair if the value of an Analytica share post the Proposed Placement is equal to or greater than the value of an Analytica share prior to the Proposed Placement.

Figure 8.1 below summarises our assessment of the fairness of the Proposed Placement, setting out a graphical comparison of our valuation of an Analytica share on a controlling interest basis prior to the Proposed Placement from Table 6.6 with our valuation of an Analytica share on a minority interest basis post the Proposed Placement from Table 7.4.

Figure 8.1: Assessment of the Fairness of the Proposed Placement



Source: BDO CFQ analysis

Having regard to the above, while the valuation ranges partially overlap, in our view, there is a material downward shift in the valuation ranges we have calculated and this is reflected in the differences in the preferred values between the two valuations. In our view, it is appropriate to conclude that the Proposed Placement is **Not Fair** to Analytica shareholders as at the date of this Report.

It is important to note that notwithstanding the above conclusion in relation to the fairness of the Proposed Placement:

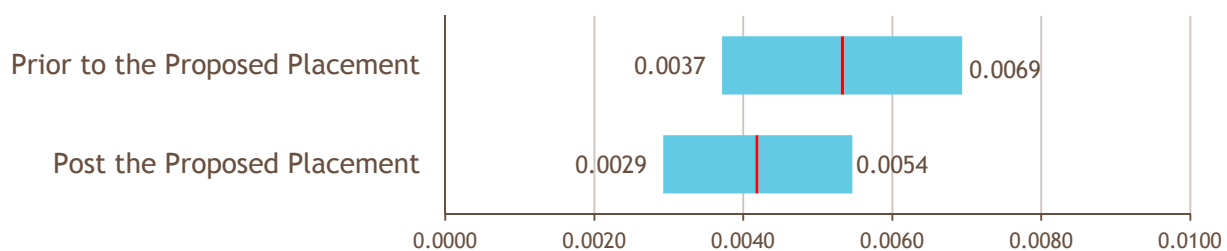
- Analytica is a company which requires immediate funding; and
- The funding to be raised by the Proposed Placement is at a share price that is higher than that price proposed by the Discounted Raisings.

The above-mentioned matters have been considered in further detail when considering the Reasonableness of the Proposed Placement (refer Section 9 below).

8.2 Impact of the Discounted Raisings

We have considered the impact the Discounted Raising under a hypothetical scenario where \$800,000 is raised at a 15% discount to the 5 day VWAP. Using the same valuation information relating to prior and post the Proposed Placement, but adjusting both valuation ranges for this hypothetical Discounted Raising, we calculate the pre (control basis) and post (minority basis) the Proposed Transaction asset out in Figure 8.2.

Figure 8.1: Assessment of the Fairness of the Proposed Placement Including a Hypothetical Discounted Raising



Source: BDO CFQ analysis

The Discounted Raising does not impact the conclusions reached in this Report.

For completeness, we note that the value pre and post the Proposed Transaction move closer together the more capital that is assumed to be raised under the Discounted Raising.

9.0 Reasonableness of the Proposed Placement

This section is set out as follows:

- Section 9.1 outlines the advantages of the Proposed Placement to Analytica shareholders;
- Section 9.2 outlines the disadvantages of the Proposed Placement to Analytica shareholders;
- Section 9.3 considers the position of Analytica shareholders if the Proposed Placement is not approved; and
- Section 9.4 provides our assessment of the reasonableness of the Proposed Placement.

9.1 Advantages of the Proposed Placement

Table 9.1 below outlines the potential advantages to Analytica shareholders of approving the Proposed Placement.

Table 9.1: Potential Advantages of the Proposed Placement

Advantage	Explanation
The Proposed Placement is the only proposal available at the current time to fund the Company	Analytica requires immediate funding to continue operations and further progress its development of the PeriCoach System. The Directors of Analytica have considered a range of alternative strategies for recapitalising the Company. The Directors are of the view that the Proposed Placement is the best proposal available for recapitalising the Company as at the date of this Report.
Funding for operations	If the Proposed Placement is approved, Analytica will secure funding of approximately \$1 million for its operations (refer to Section 7.2.2). The capital raised will principally be used to fund the development of the PeriCoach System.
Price of Proposed Placement	The Proposed Placement is at a share price greater than the price of the Discounted Raisings (which are expected to be completed at the same time) and the most recent completed capital raising.
Equity funding without the debt servicing commitments implicit in hybrid or debt instruments	The Proposed Placement will provide equity funding for Analytica. Analytica will be able to focus on developing its operations without being concerned about interest commitments and other obligations associated with servicing debt and/or other hybrid instruments such as convertible notes. Another advantage of equity financing is that there is less likely to be a claim on the assets of Analytica in circumstances of financial distress.
May provide for the continued commitment of the Chairman, Dr Monsour.	If the Proposed Placement is approved, Dr Monsour will become a more material investor in the Company. Dr Monsour will be incentivised to continue to provide his skills, experience and expertise to Analytica.

Source: BDO CFQ analysis

9.2 Disadvantages of the Proposed Placement

Table 9.2 below outlines the potential disadvantages to Analytica shareholders of approving the Proposed Placement.

Table 9.2: Potential Disadvantages of the Proposed Placement

Disadvantage	Explanation
The Proposed Placement is not fair	As set out in Section 8.0, in our view the Proposed Placement is not fair to the Analytica shareholders as at the date of this Report.
Dilution of Analytica shareholders' interests	<p>If the Proposed Placement is accepted, Analytica shareholders will hold a diluted interest in Analytica's assets and will be required to share a greater portion of any commercialisation upside in the asset portfolio with Dr Monsour.</p> <p>The value of Analytica could change materially in a short space of time (e.g.: if a partnering agreement were to be struck in relation to the PeriCoach System)</p>

Disadvantage	Explanation
Ability to pass or block a special resolution	In order to pass a special resolution a company is required to obtain votes from 75% or more of its shareholders. Prior to the Proposed Placement and as set out in Table 5.1 above, Analytica's largest shareholder had an interest below 20% (the level often regarded as providing a shareholder with significant influence). If the Proposed Placement is approved, Dr Monsour may have a relevant interest of up to 29.02% (depending on the degree of participation in the Discounted Raisings) in Analytica. With shareholding of this level, Dr Monsour will be able to block any special resolutions if he votes against them.
Takeover offer may become more difficult	If the Proposed Placement is approved, Dr Monsour may become a major shareholder. In this circumstance, any takeover offer for 100% of the shares in Analytica is likely to require the support of Dr Monsour. This may reduce the likelihood of Analytica receiving a takeover offer in the foreseeable future.

Source: BDO CFQ analysis

9.3 Potential Position of Analytica Shareholders if the Proposed Placement is Not Approved

Table 9.3 below outlines the potential position of Analytica shareholders if the Proposed Placement is not approved.

Table 9.3: Potential Position of Analytica Shareholders if the Proposed Placement is Not Approved

Position of Shareholders	Explanation
Analytica shareholders will continue to own 100% of the Company	The current Analytica shareholders will continue to own 100% of the Company and be entitled to any potential upside or downside risks associated with the future earnings and value of Analytica. Analytica shareholders will share any benefits or losses that may arise from Analytica's operations and future endeavours.
Analytica will require alternative capital raising	<p>Analytica will be required to seek alternative methods of capital raising in order to fund its operations. In circumstances where Analytica is unable to raise additional capital, the Company may not be in a position to further develop its assets.</p> <p>Based on discussions with the Directors of Analytica, we understand that the alternatives available to Analytica in circumstances where the Proposed Placement is not approved include:</p> <ul style="list-style-type: none"> ■ Raising equity capital; ■ Raising debt capital; and ■ An orderly realisation of the Company's assets. <p>There is a risk that the value ultimately realised will not exceed the value attributed to the Proposed Placement.</p>
Analytica will not be able to recover the costs incurred in relation to the Proposed Placement	If the Proposed Placement is not approved, Analytica will not be able to recover the costs incurred in relation to the Proposed Placement.
Effect on Analytica share price	In the event that the Proposed Placement is not approved, the share price of Analytica may differ materially from the share price in the period following the announcement on 18 March 2016. If alternative funding cannot be secured in the immediate term, it is highly likely that the market may not react favourably to the outcome.

Source: BDO CFQ analysis

9.4 Assessment of the Reasonableness of the Proposed Placement

In our opinion, after considering all of the issues set out in this Report, it is our view that in the absence of any other information, the Proposed Placement is **Reasonable** to Analytica shareholders as at the date of this Report.

10.0 Sources of Information

This Report has been prepared using information obtained from sources including the following:

- Analytica company website (<http://www.analyticamedical.com>);
- Analytica ASX announcements;
- Analytica annual reports for the year ended 30 June 2013, 2014 and 2015;
- Analytica half year report for the 6 months ended 31 December 2015;
- Various transaction documents including the Subscription Agreements and Notice of Meeting;
- Capital IQ;
- IBISWorld;
- Various other research publications and publicly available data as sourced throughout this Report; and
- Various discussions and other correspondence with Analytica directors, management and their advisers.

11.0 Representations, Indemnities and Warranties

Analytica has agreed to our usual terms of engagement in addition to the indemnities and representations set out below.

11.1 Indemnities

In connection with BDO CFQ's engagement to prepare this Report, Analytica has agreed to indemnify and hold harmless BDO CFQ, BDO (QLD) or any of the partners, directors, agents or associates (together 'BDO Persons'), to the full extent lawful, from and against all losses, claims, damages, liabilities and expenses incurred by them. Analytica will not be responsible, however, to the extent to which such losses, claims, damages, liabilities or expenses result from the negligent acts or omissions or wilful misconduct of any BDO Persons.

Analytica agrees to indemnify BDO Persons in respect of all costs, expenses, fees of separate legal counsel or any other experts in connection with investigating, preparing or defending any action or claim made against BDO Persons, including claims relating to or in connection with information provided to or which should have been provided to BDO CFQ by Analytica (including but not limited to the directors and advisers of Analytica) as part of this engagement.

11.2 Representations and Warranties

Analytica has recognised and confirmed that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDO Persons have used and relied on publicly available information and on data, material and other information furnished to BDO Persons by Analytica, its management, and other parties, and may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

Analytica management represent and warrant to BDO Persons that all information and documents furnished by Analytica (either directly or through its advisors) in connection or for use in the preparation of this Report do not, at the time so furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein.

Analytica has acknowledged that the Company's engagement of BDO CFQ is as an independent contractor and not in any other capacity including a fiduciary capacity.

12.0 Experience, Disclaimers and Qualifications

BDO CFQ has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDO CFQ holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the Corporations Act.

BDO CFQ and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Queensland and in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Steven Sorbello and Scott Birkett have prepared this Report with the assistance of staff members. Mr Sorbello and Mr Birkett are directors of BDO CFQ and have extensive experience in corporate advice and the provision of valuation and business services to a diverse range of clients, including large private, public and listed companies, financial institutions and professional organisations.

This Report has been prepared at the request of the directors of Analytica to provide Analytica shareholders with information to assist them to decide whether to vote in favour of or against the Proposed Placement. BDO CFQ hereby consents to this Report being used for that purpose. Apart from such use, neither the whole nor any part of this Report, nor any reference thereto may be included in or with, or attached to any document, circular, resolution, statement, or letter without the prior written consent of BDO CFQ.

BDO CFQ takes no responsibility for the contents of other documents supplied in conjunction with this Report. BDO CFQ has not audited or reviewed the information and explanations supplied to us, nor has it conducted anything in the nature of an audit or a review of any of the entities mentioned in this Report. However we have no reason to believe that any of the information or explanations so supplied is false or that material information has been withheld.

Any forecast information which has been referred to in this Report has been prepared by the relevant entity and is generally based upon best estimate assumptions about events and management actions, which may or may not occur. Accordingly, BDO CFQ cannot provide any assurance that any forecast is representative of results or outcomes that will actually be achieved.

With respect to taxation implications of the Proposed Placement, it is strongly recommended that Analytica shareholders obtain their own taxation advice, tailored to their own particular circumstances.

APES 225 'Valuation Services' issued by the Accounting Professional & Ethical Standards Board sets out mandatory requirements for the provision of quality and ethical valuation services. BDO CFQ has complied with this standard in the preparation of this Report.

The statements and opinions included in this Report are given in good faith and in the belief that they are not false, misleading or incomplete. This Report is current as at 23 March 2016.

BDO Corporate Finance (QLD) Ltd



Steven Sorbello
Director



Scott Birkett
Director

Appendix A: Industry Information: Overview of the Biotechnology Industry

As discussed in Section 5, Analytica's principal activity is in the development and sales of the PeriCoach System, a medical device designed to help women who suffer from urinary incontinence. Having regard to this principal activity, this section is set out as follows:

- Section A.1 provides a brief overview of biotechnology industry;
- Section A.2 provides a brief overview of medical and surgical equipment manufacturing in Australia; and
- Section A.3 provides a brief overview of the incontinence products market.

The information presented in this appendix has been compiled from a range of publicly available sources, together with information taken from various databases which we subscribe to.

A.1 Biotechnology Overview

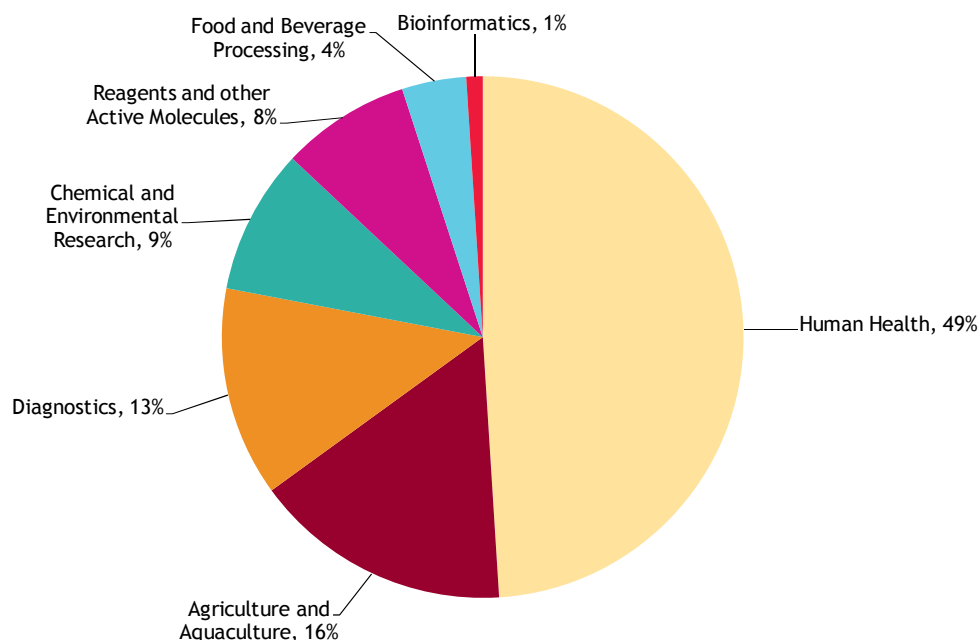
Analytica operates in the biotechnology industry developing technologies focussed on the treatment of female urinary incontinence and other pelvic floor health conditions.

A.1.1 Biotechnology in Australia⁵

Australia's biotechnology industry is currently the sixth largest in the world, behind the USA, the United Kingdom, Germany, France and Canada. Other major nations which contribute to the global biotechnology industry include China, India, South Korea and Taiwan.

The Australian biotechnology industry focuses on the areas of human health, agriculture, diagnostics, chemical and environmental research, reagents and other active molecules, food and beverage processing and bioinformatics. Figure A.1 below illustrates the product and service segmentation of the Australian biotechnology industry based on 2015 revenues.

Figure A.1: Australian Biotechnology Industry Products and Services Segmentation 2015

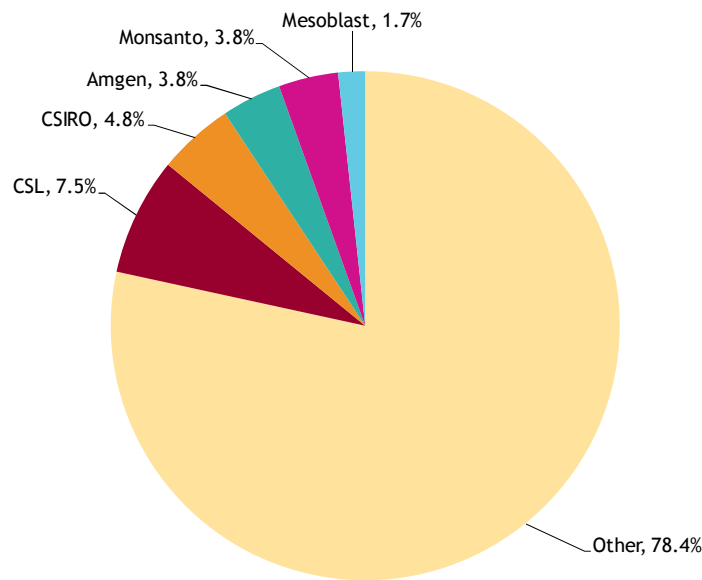


Source: IBISWorld Industry Report X0001: Biotechnology in Australia, September 2015

⁵ Information in this section has been sourced from IBISWorld Industry Report X0001: Biotechnology in Australia, September 2015.

The Australian biotechnology industry consists of a large number of small to medium sized companies, with the top four participants accounting for approximately 20% of market share. Many smaller biotechnology companies focus on a single drug or therapy and originate from spin-offs from research started in higher education, not-for-profit and government agencies. These smaller companies often discover and patent technologies which are then licensed to larger pharmaceutical producers for manufacturing and marketing. Figure A.2 illustrates the market share of the major players in the Australian biotechnology industry based on revenue.

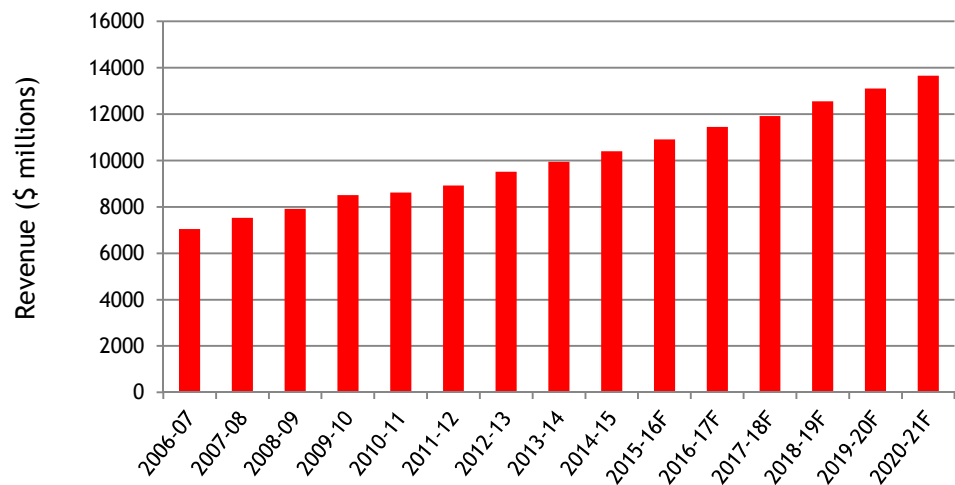
Figure A.2: Market Share of the Major Players in the Australian Biotechnology Industry 2015



Source: IBISWorld Industry Report X0001: Biotechnology in Australia, September 2015

Industry revenue is estimated to have grown at a compound annual rate of 2.0% over the five years through to 2015-16. This has been driven by steadily rising demand from general hospitals and growing public health expenditure. Firms in this industry are generally able to charge a premium for their products due to their technologically sophisticated nature. Customers are also often willing to pay a premium for industry equipment that is used in life-threatening procedures.

Figure A.3: Australian Biotechnology Industry Revenue



* F indicates forecast

Source: IBISWorld Industry Report X0001: Biotechnology in Australia, September 2015

As a result of the continuous introduction of new technologies and increasing numbers of new companies entering the industry, the Australian biotechnology industry is considered to be in the growth phase of the industry life cycle. Industry value added ('IVA') is used to measure an industry's contribution to the overall economy. Over the 10-year period ending FY2021, IVA from biotechnology is projected to grow at a compound annual rate of 4.8%. This growth exceeds that of the overall economy, with real GDP forecast to grow by a compound annual rate of 2.8% over the same period. Substantial year-on-year IVA growth is attributable to increasing industry revenue derived from rising demand, while wage costs and profit margins are expected to remain relatively stable as a share of revenue. Notwithstanding that numerous new companies enter the biotechnology industry each year, the industry is characterised by high barriers to entry, medium and increasing competition, high relative levels of labour costs, accelerating technological change and heavy regulation.

A.2 Medical and Surgical Equipment Manufacturing in Australia Overview

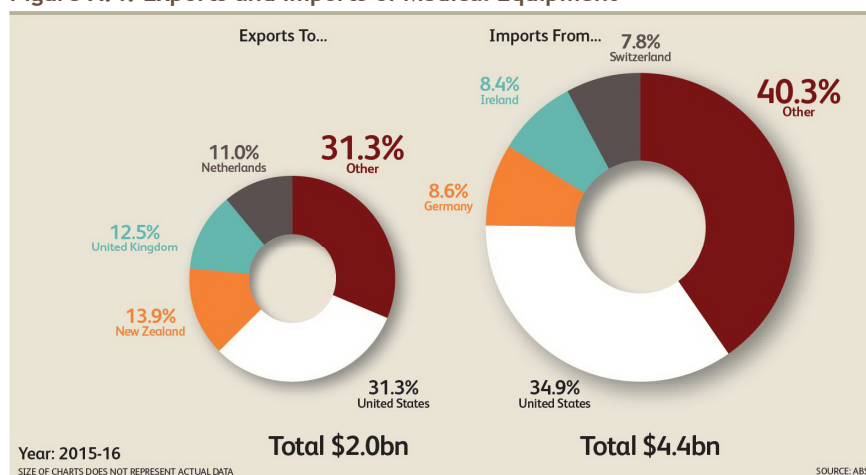
The medical and surgical equipment manufacturing industry consists of companies whose primary activity involves the manufacture of medical, surgical and dental equipment. More specifically these products include: medical and surgical equipment, medical and surgical instruments, supplies and appliances, hearing aids, dental equipment and supplies, medical, surgical and dental furniture. The PeriCoach System is a urology device which comprises only a small portion of this industry. However an understanding of medical and surgical equipment manufacturing in Australia may assist in understanding the industry that the PeriCoach System operates within.

Government policies have an impact on the level of customer demand within the industry. An example of this is government policies aimed at increasing private health insurance membership which has diverted demand away from public to private hospitals. This has driven demand for more advanced medical and surgical equipment and supplies from private healthcare service providers. Higher private health insurance membership has also been associated with an increase in the number of services performed by medical practitioners. According to the Private Health Insurance Administration Council, the proportion of Australians with private health insurance has increased from 51.7% in June 2010 to 55.9% in June 2015.

The industry has a high level of assistance from the government. Government funding for healthcare services has increased over the past five years allowing hospitals and other medical facilities to upgrade and improve their equipment. The federal government has announced a new activity-based funding system whereby funding is provided to hospitals based on the average volume of particular procedures that have been carried out and are expected to be carried out each year. The change in policy provides incentives for hospitals to become more efficient which is expected to result in greater use of the industry's advanced equipment. The federal government has also stated that it will direct more funding to aged-care facilities to help take the pressure off hospitals over the next five years.

The industry is highly globalised which is evidenced by the high level of international trade. In 2015-16, imports account for over 75% of domestic demand while exports contribute to over 55% of total industry revenue. The majority of imports are from OECD countries as product quality and reliability are crucial. Exports have traditionally accounted for a high proportion of industry revenue as the Australian market is not generally large enough to provide sufficient returns for domestic operators. This has been assisted by Australian manufacturers' excellent international reputation. Analytica exports to the USA and UK. The USA and UK accounted for approximately 31.3% and 12.5% respectively of the \$2.0 billion Australian Medical and Surgical Equipment export market in 2015-16. This is set out in Figure A.4 below.

Figure A.4: Exports and Imports of Medical Equipment



Source: IBISworld Industry Report C2412

A.3 Incontinence Products Market Overview

Incontinence is categorized as a disease by the World Health Organisation ('WHO') and is estimated to affect 5% to 7% of the world's population. The incontinence products market is growing due to an ageing global population, increasing awareness, growing acceptance of incontinence products and product innovations to personalize products according to particular consumer segments. The main product types are urinary catheters, urine bags, absorbent products, incontinence clamps, incontinence cleaners, skin protection and odour controls.

It is estimated that 60% of products are used within institutional care and home care while the remaining 40% is purchased in the retail market. Western Europe and North America are the leading markets for incontinence products due to a rising geriatric population, high prevalence of neurological diseases and increasing demand for home healthcare products. Growth in the industry is expected to come from emerging economies, especially from the Asia-Pacific region due to the increasing number of healthcare facilities and the introduction of modern healthcare devices for at-home users.

A.3.1 Class I and II Medical Device⁶

Analytica is committed to the design, development and supply of Class I and II medical devices. This classification of in-vitro diagnostic medical devices ('IVDs') is to assist manufacturers to classify their IVDs according to the Australian classification rules for supply in Australia. Classification rules are established on a risk-based approach to regulation, and IVDs are classified according to the health risk (either to the public or an individual) that may arise from product malfunctions. IVDs are classified into four risk classes on the basis of the manufacturer's intended purpose for the devices. Classifications for these medical devices are set out in Table A.1.

Table A.1: IVD Classifications

IVD classification	Level of risk
Class 1	No public health risk or low personal risk
Class 2	Low public health risk or moderate personal risk
Class 3	Moderate public health risk or high personal risk
Class 4	High public health risk

Source: Australian Government Department of Health, Therapeutic Goods Administration

⁶ Information in this section has been sourced from the Australian Government Department of Health, Therapeutic Goods Administration, December 2015.

Appendix B: Common Valuation Methodologies

A 'fair market value' is often defined as the price that reflects a sales price negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, with both parties at arm's length. The valuation work set out in this Report assumes this relationship.

There are a number of methodologies available to value an entity at fair market value. In preparing this Report, we have considered, amongst other metrics, the valuation methodologies recommended by ASIC in *RG 111: Content of Expert Reports*. The methodologies include those mentioned directly below.

B.1 Discounted Cash Flows (DCF)

The DCF approach calculates the value of an entity by adding all of its future net cash flows discounted to their present value at an appropriate discount rate. The discount rate is usually calculated to represent the rate of return that investors might expect from their capital contribution, given the riskiness of the future cash flows and the cost of financing using debt instruments.

In addition to the periodic cash flows, a terminal value is included in the cash flow to represent the value of the entity at the end of the cash flow period. This amount is also discounted to its present value. The DCF approach is usually appropriate when:

- An entity does not have consistent historical earnings but is identified as being of value because of its capacity to generate future earnings; and
- Future cash flow forecasts can be made with a reasonable degree of certainty over a sufficiently long period of time.

Any surplus assets, along with other necessary valuation adjustments, are added to the DCF calculation to calculate the total entity value.

B.2 Capitalisation of Maintainable Earnings (CME)

The CME approach involves identifying a maintainable earnings stream for an entity and multiplying this earnings stream by an appropriate capitalisation multiple. Any surplus assets, along with other necessary valuation adjustments, are added to the CME calculation to calculate the total entity value.

The maintainable earnings estimate may require normalisation adjustments for non-commercial, abnormal or extraordinary events.

The capitalisation multiple typically reflects issues such as business outlook, investor expectations, prevailing interest rates, quality of management, business risk and any forecast growth not already included in the maintainable earnings calculation. While this approach also relies to some degree on the availability of market data, the multiple is an alternative way of stating the expected return on an asset.

The CME approach is generally most appropriate where an entity has historical earnings and/or a defined forecast or budget. Further, a CME is usually considered appropriate when relevant comparable information is available.

B.3 Asset Based Valuation (ABV)

An ABV is used to estimate the fair market value of an entity based on the book value of its identifiable net assets. The ABV approach using a statement of financial position alone may ignore the possibility that an entity's value could exceed the book value of its net assets, however, when used in conjunction with other methods which determine the value of an entity to be greater than the book value of its net assets, it is also possible to arrive at a reliable estimate of the value of intangible assets including goodwill.

Alternatively, adjustments can be made to the book value recorded in the statement of financial position in circumstances where a valuation methodology exists to readily value the identifiable net assets separately and book value is not reflective of the true underlying value. Examples of circumstances where this type of adjustment may be appropriate include when valuing certain types of identifiable intangible assets and/or property, plant and equipment.

The ABV approach is most appropriate where the assets of an entity can be identified and it is possible, with a reasonable degree of accuracy, to determine the fair value of those identifiable assets.

B.4 Market Based Valuation (MBV)

An MBV methodology determines a value for an entity by having regard to the value at which securities in the entity have recently been purchased. This approach is particularly relevant to:

- Entities whose shares are traded on an exchange. The range of share prices observed may constitute the market value of the shares where a sufficient volume of shares is traded and the shares are traded over a sufficiently long period of time; and/or
- Entities for which it is possible to observe recent transactions relating to the transfer of relatively large parcels of shares (e.g. recent capital raisings).

For listed entities, the range of share prices observed may constitute the market value of the shares where sufficient volumes of shares are traded and the shares are traded over a sufficiently long period of time. Share market prices usually reflect the prices paid for parcels of shares not offering control to the purchaser.

B.5 Industry Specific Metrics

It is often appropriate to have regard to industry specific valuation metrics in addition to the traditional valuation approaches outlined above. These metrics are particularly relevant in circumstances where it is reasonably common for market participants to have regard to the alternative measures of value.

Appendix C: Control Premium Analysis

A controlling interest in a company is usually regarded as being more valuable than a minority interest as it provides the owner with control over the operating and financial decisions of the company, the right to set the strategic direction of the company, control over the buying, selling and use of the company's assets, and control over appointment of staff and setting financial policies.

The increase in value for a controlling interest is often observed where an acquirer launches a takeover bid for another company. For the purposes of our research on control premiums, we have defined a controlling interest to be an interest where the acquirer has acquired a shareholding of greater than 50% in the target company.

The control premium observed in a given takeover bid may be impacted by a range of factors, including:

- The specific value that may have been applicable to the acquirer at the time of the transaction;
- The level of ownership already held by the acquirer in the target;
- The level of speculation in the market about a transaction between the target and the acquirer;
- The presence of competing bids for the target; and
- The prevailing strength of the market and the economy more broadly at the time of the transaction.

To determine an appropriate control premium range to apply to Analytica, we have considered the following information:

- Control premiums implied in merger and acquisition transactions of biotechnology companies operating in Australia, which indicate control premiums in the range of 32.11% to 38.95%;
- Recent independent expert's reports which apply control premiums in the range of 20% to 40%;
- Various industry and academic research, which suggests that control premiums are typically within the range of 20% to 40%;
- Various valuation textbooks; and
- Industry practice.

Having regard to the information set out above, in our view, it is appropriate to consider control premiums within the range of 20% to 40% for the purposes of assessing the Proposed Placement.

ANALYTICA

Analytica Limited

ABN 12 006 464 866

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Analytica Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

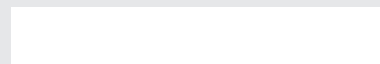
I/We being a member(s) of Analytica Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:30am on Friday, 22 April 2016 at Christie Offices, Oxley Room, Level One, 320 Adelaide Street, Brisbane QLD 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

	For	Against	Abstain*
1 Approval for issue of Monsour Placement Shares and increase in voting power	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of issue of General Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Cancellation of options to Salesforce4Hire, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

ALT PRX1601A

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am on Wednesday, 20 April 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Analytica Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**