



REPORT:

IMPROMY 6 MONTHS ON THE PROGRAM

1 September 2014 to 28 February 2015

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WAYNE STRINGER CHIEF EXECUTIVE OFFICER PROBIOTEC LIMITED

It is with great pleasure we release the outcomes of the Impromy program after its first full six months in the Australian market.

The results are in and, by any and all of the measures you will see in this report, Impromy is an outstanding success.

Probiotec is Australia's leading manufacturer of weight loss products. The success of the Impromy program is the result of our biotechnology research and development expertise married with the clinical and behavioural research of the CSIRO.

Not only did research lead to the development of the program, it continues to enhance our knowledge and improve it. The GuildCare system collects weight loss and health data from all participants in the program via the regular consultations they have with pharmacy consultants trained by our dietitians. This data gives us unique insight into the relationship between weight and health, insight we share with program participants to motivate them to reach their goals and live a healthier life.

Our market data tells us that Impromy is achieving substantially higher average weight loss than the nearest comparable program. In addition, people are staying in the program longer, increasing the likelihood that they will maintain healthy body mass index levels as a result of long-term changed behaviour.

This report represents a very important milestone for our organisation and, potentially, Australia.

More than 60 per cent of Australians are overweight or obese. That figure represents unacceptable health and mental wellbeing risks across our population, as well as related economic implications. If we can assist more people to connect with their pharmacists and local communities, to take ownership of their health while supported by primary and allied health professionals, we can turn Australia's weight challenge around.

With our network of pharmacies, we will continue to achieve impact at scale, with social and economic dividends not only for Impromy participants, our company and our partners but all Australians.

In releasing this report, I wish to acknowledge the productive collaboration we enjoy with the CSIRO and, in particular, CSIRO Research Program Director Dr Manny Noakes. Impromy is a result of a highly effective private and public sector partnership focused on improving the lives of Australians.

By combining knowledge and expertise we have achieved much more than we could working in isolation of one another.



Mr. Charles Wayne Stringer, Dip.Bus, ACA, founded Probiotec Limited in 1997 and serves as its Chief Executive Officer and Managing Director. Mr. Stringer is responsible for strategic management, remuneration and operational oversight.

CATHY WHITELEY

SENIOR DIETITIAN FOR IMPROMY

Accredited Practising Dietitian (APD), Master of Nutrition & Dietetics (MNutDiet), Bachelor of Health Science (BHSc), Diploma of Nursing (DipNg)

Eating well and having a healthy lifestyle doesn't come naturally for everyone. With Australia's rising levels of obesity and increasingly high rates of preventable lifestyle illnesses, the Impromy health and weight loss program is a viable way of supporting the public through a weight loss journey to better health. We know that through weight loss an individual's indicators of health such as blood pressure will substantially improve and predict a healthier future.

According to the results in this report more than half the members on the Impromy program have one or more health risk factors related to lifestyle choices that are negatively impacting on them. Impromy supports clients through a change of eating habits and lifestyle. Incorporated in the program are CSIRO developed healthy high protein recipes and an individualised eating plan progressing clients to healthy food choices and portion sizes.

Most Australians are living longer but many of these people will be living with chronic illness so they will not have a good quality of life in older age. Weight loss through Impromy is hugely important in the prevention of Type 2 diabetes and heart disease, as well other preventable lifestyle related illnesses.

Australians are eating out more than in the years gone by and the prevalence of unhealthy takeaway meals is a concern. Families are growing up with unhealthy eating habits and we all know the influence parents have on children. I like to think that the program will also influence families to eat healthier and believe in good health supported by a healthy weight.

All of our dietitians are registered industry professionals and are accredited with the Dietitians Association of Australia (DAA). We are there to provide in-store support and training for participating pharmacies, and also extra support to Impromy clients via the Impromy Helpline and social media forums.

As an accredited dietitian with a background in nursing, I understand the value university trained experts in health and nutrition bring to clients, while they providing the best advice, training on weight loss and other related health concerns. Dietitians are also trained in the affects that food and nutrition have on the internal systems of the body, where other professions do not have this expertise.

Everyone has different needs when it comes to health and weight loss and our role is to work closely with the Impromy consultants and ensure the best outcome for all clients with a personalised approach.

As we expand, we will continue to support, educate and inspire many more Australians to better health and to achieve more balanced eating habits with Impromy.

Ms Cathy Whiteley, is a senior dietitian for Impromy, an Accredited Practising Dietitian (APD) who has been involved in research project management and contributions Flinders University, for SA Health and was part of the CSIRO health and weight loss clinical trials for transition to Impromy. She holds a Master of Nutrition & Dietetics (MNutDiet), a Bachelor of Health Science (BHSc) and a Diploma of Nursing (DipNg).



ABOUT REPORT

This report presents high level results from 1 September 2014 to 28 February 2015 providing six months of Impromy membership data including weight loss and key health findings as recorded by Impromy consultants in the GuildCare software platform, developed and maintained by the Pharmacy Guild of Australia.

ABOUT IMPROMY

Impromy is a health improvement and weight loss program involving personalised consultations to assess weight and risk factors such as cholesterol and blood glucose.

Developed in collaboration with the CSIRO, the Impromy program applies science and research to help participants get fast and sustainable weight loss results.

IMPROMY MEMBERS

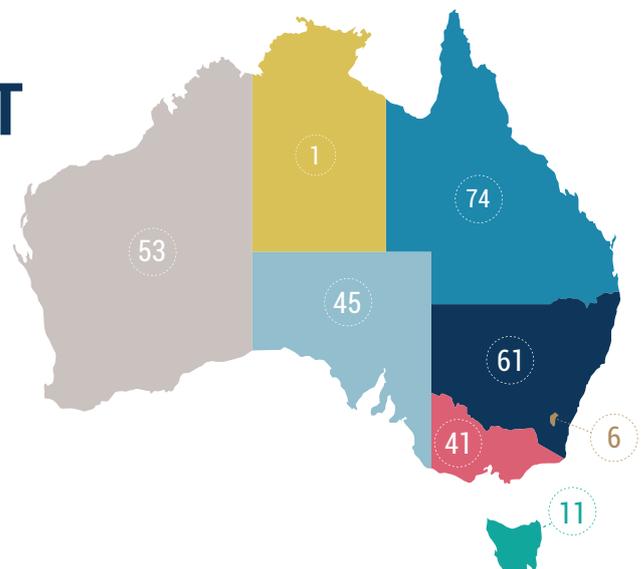
A total of 15,454 people registered as members as of 28 February 2015.



PARTICIPATING PHARMACIES

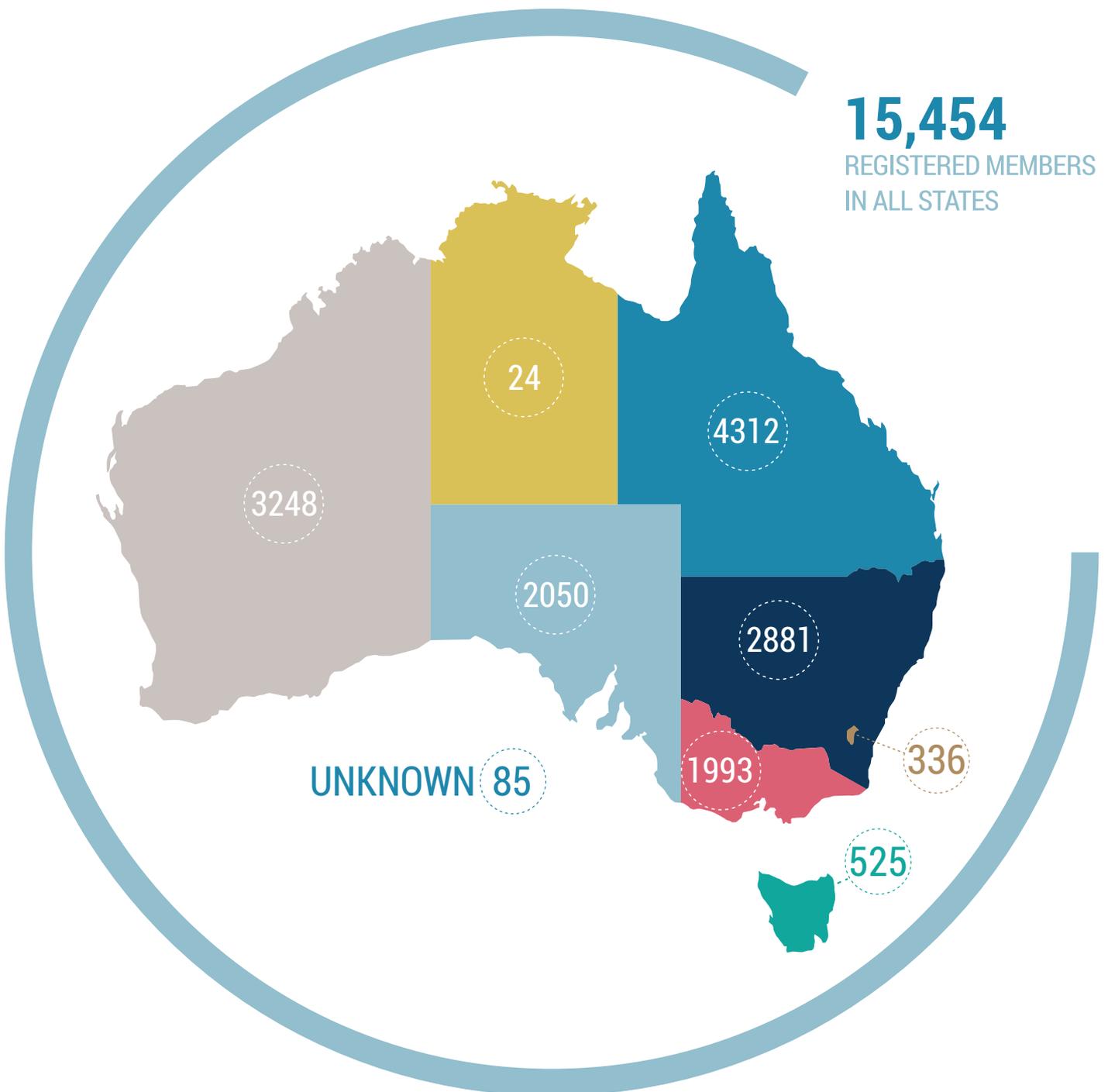
There were 292 pharmacies operating the program during this period. This includes our cornerstone partner Chemmart Pharmacy, as well as key groups including Malouf Pharmacies (QLD), Amcal Chempro Pharmacies (QLD), National Pharmacies, the Quality Pharmacy group, Pharmacy 777 (WA), selected Priceline Pharmacies, Capital Chemist (ACT) and a range of independent pharmacies.

292 PHARMACIES THAT ACTIVELY RUN IMPROMY CONSULTATIONS AROUND AUSTRALIA RIGHT NOW



MEMBERSHIP BY STATE

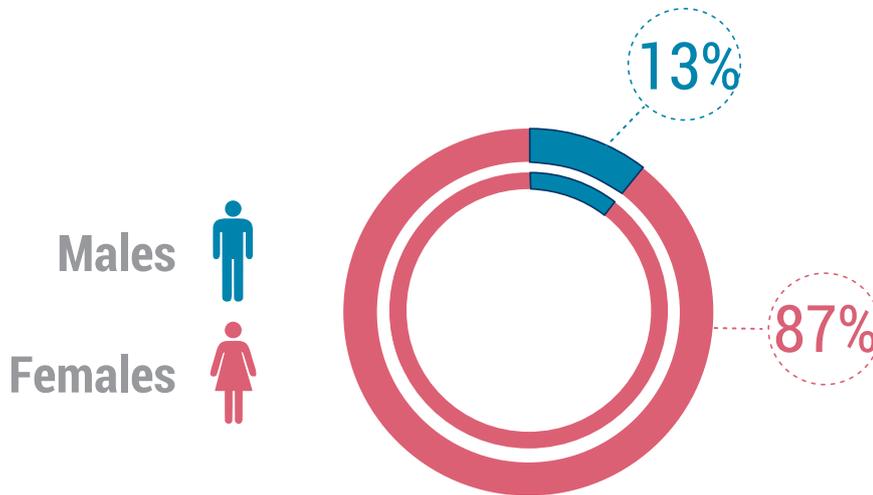
The state of Queensland has the highest member numbers across Australia followed by Western Australian and then New South Wales. According to an ABS report 'Overweight and Obesity in Adults in Australia: A Snapshot, 2007–08', rates of overweight and obese adults did not differ markedly by state or territory in 2007-08 but after adjusting for age, the range between states and territories was four percentage points, with Western Australia having the highest prevalence of overweight and obese adults (63 per cent) and the ACT having the lowest (59 per cent)¹.



¹ Australian Bureau of Statistics 2011, 'Overweight and Obesity in Adults in Australia: A Snapshot, 2007-08', viewed, <http://www.abs.gov.au>.

MEMBERSHIP BY GENDER

From those that have joined the program an overwhelming majority are women (87 per cent of members), although a small number of men are registered members (13 per cent).



KEY HEALTH FINDINGS

HEALTH RISK FACTORS

Based on the data captured in the GuildCare system, approximately 55 per cent of customers have one or more ‘health risk factors’. Health risk factors are defined as:

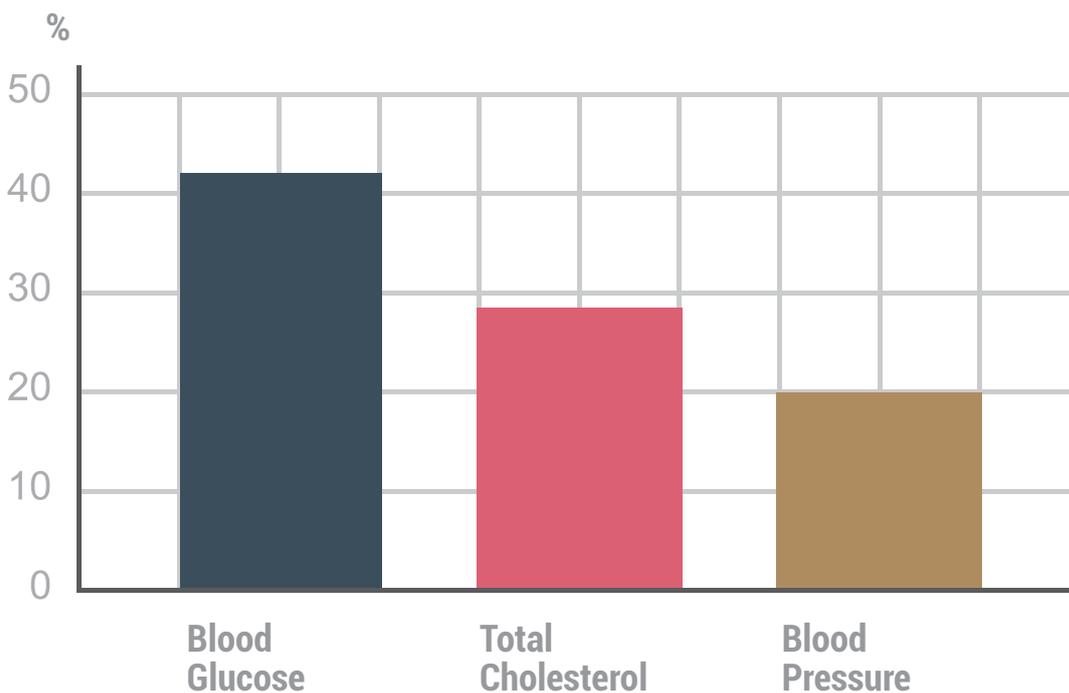
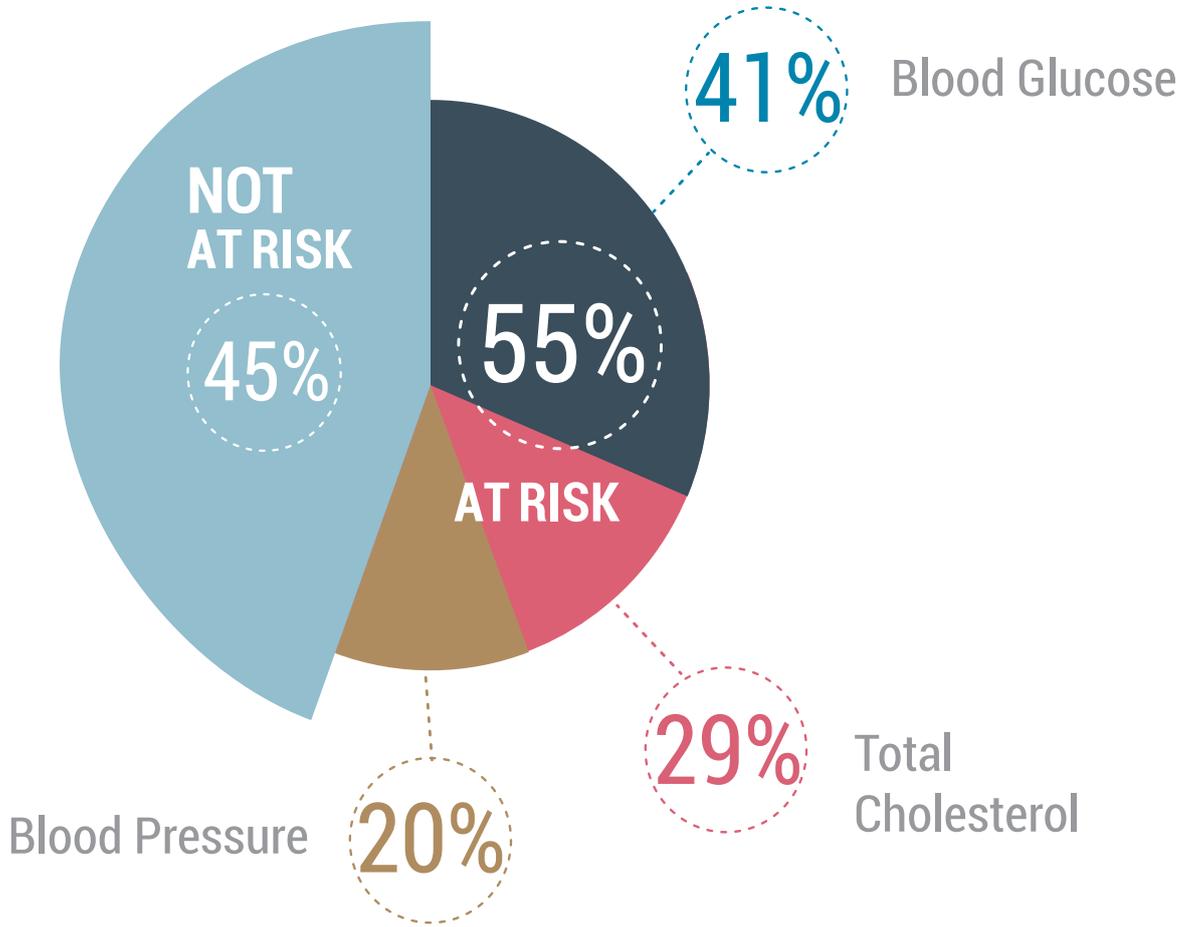
A range of genetic, social, economic and environmental factors are recognised as increasing the risk of developing a particular health condition. Specific lifestyle and related factors which have been identified as negatively impacting health include:

- BEING OVERWEIGHT OR OBESE;
- SMOKING AND EXCESSIVE ALCOHOL CONSUMPTION;
- POOR DIET AND NUTRITION; AND
- LACK OF PHYSICAL ACTIVITY²

That means that over half of the customers who have signed up to Impromy so far have had a blood glucose, total cholesterol or blood pressure reading that indicates that they are outside the healthy range. Of these, 40.7 per cent had a good glucose reading in the “at risk” category, while 28.8 per cent had elevated cholesterol levels. 20.1 per cent of members had a blood pressure measurement of above 140/90, which is considered the boundary for “high” blood pressure. A portion of these members measured in the “at risk” category for multiple indicators.

² Australian Bureau of Statistics 2011, ‘Australian Health Survey: First Results’, viewed, <http://www.abs.gov.au>.

PERCENTAGE OF MEMBERS AT RISK BY CATEGORY



IMPACTS ON HEALTH

It is too early to get a clear indication of longer-term improvements in health markers. As these are a little more complicated to measure, pharmacies tend to measure them on a less frequent interval. That being said, the early data shows promising signs. Initial findings show that cholesterol improvements take time; results at four weeks indicate a small improvement, by eight weeks we see a slightly better result (-2.2 per cent) but from 8 to 12 weeks we see a substantially accelerated improvement (-7.2 per cent). Conversely, the most substantial improvements to blood pressure come early in the program, particularly for members with high starting blood pressure.

TRENDS

There is a clear correlation between time on the program and weight loss. At four weeks the average member of the Impromy program has lost approx. 3.1 kg. By eight weeks the same members have lost approx. 5.2 kg and by 12 weeks this figure extends to 7.0 kg. The most successful members visited the pharmacy weekly, or more regularly, recording an average weight loss of 8.9 kg after 12 weeks. People with a longer visit interval recorded slower weight loss results, with an average of 4.9 kg weight loss at the same time interval. This illustrates the importance of support from a trained consultant and advisor, which is offered as part of the Impromy program (at no charge).

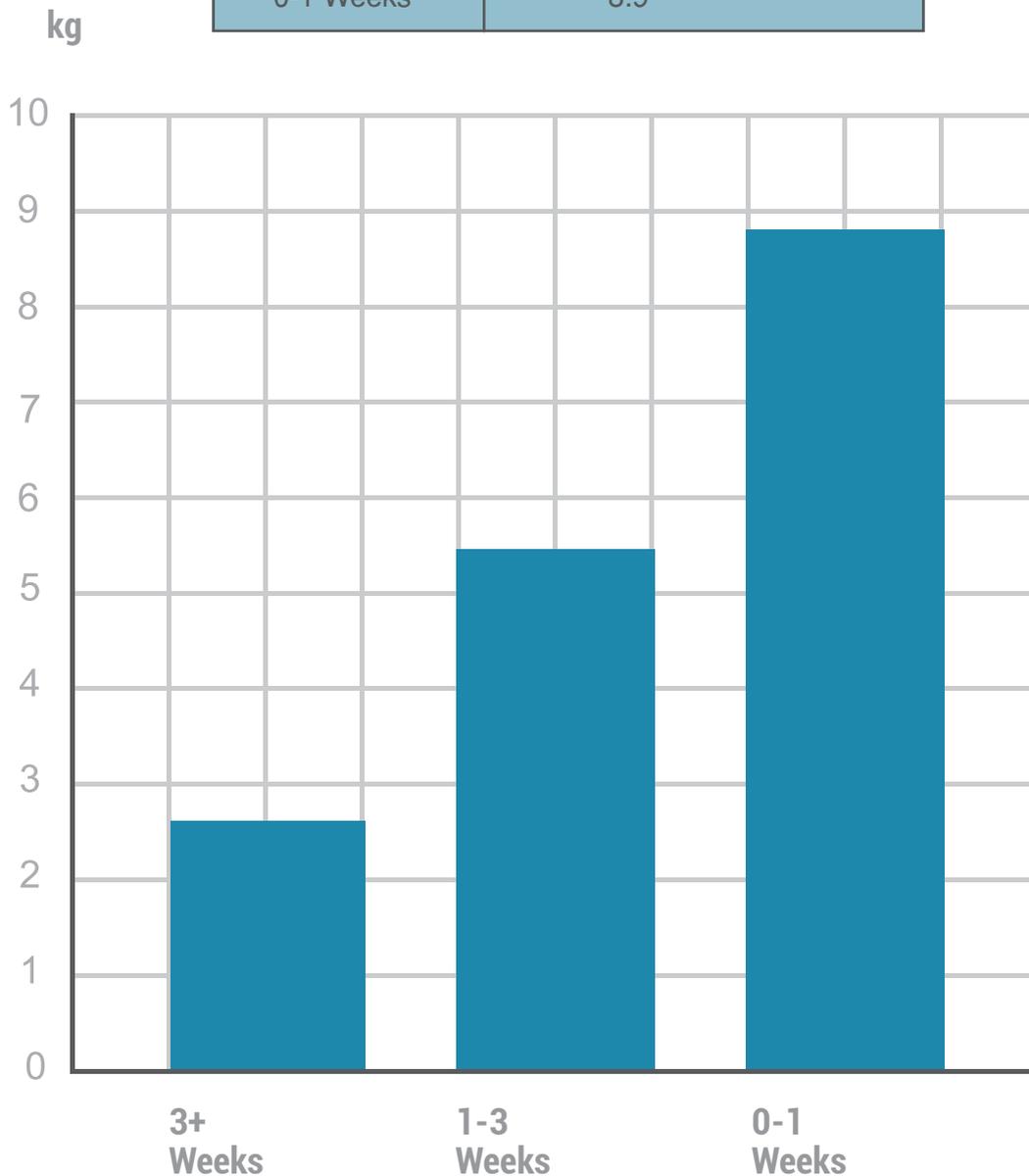
The clear trend and correlation between visit intervals and weight loss results was a surprising result. When the Impromy program was originally launched the recommended visit interval was between one and two weeks. A few months after launch, researchers at CSIRO reviewed the in-market data and saw how much better the results were for members who visited weekly, so the program was refined to encourage and recommend weekly visits. Since the change there has been strong improvement in the weight loss results that Impromy members have been achieving.

Our long-term research partnership with CSIRO offers our members a real advantage, by virtue of the fact that they will be receiving the most current and effective advice and personalised programs, based on the results that other members have achieved. This research focus and quick responsiveness in the market can help the Impromy program stay current and continue to provide better weight loss results and health improvements than other commercially available programs.

RESULTS VS VISIT INTERVAL

The time between pharmacy visits has a substantial effect on results. These results are both based on the same total time on the program, but with different intervals between visits.

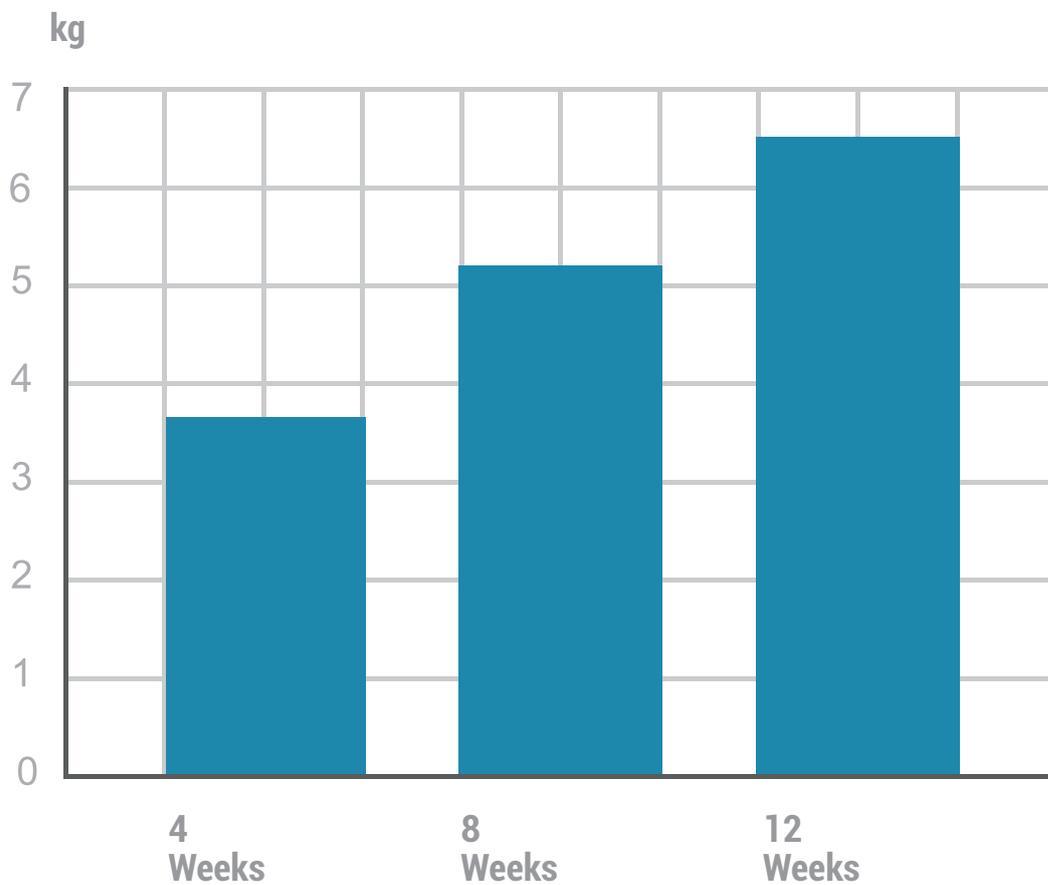
| Visit Interval | Average Weight Loss @12 weeks (kg) |
|----------------|------------------------------------|
| 3+ Weeks | 2.7 |
| 1-3 Weeks | 5.5 |
| 0-1 Weeks | 8.9 |



RESULTS VS TIME ON PROGRAM

The average weight loss results were higher the longer participants remained on the program.

| Time on Program | Average Weight Loss @12 weeks (kg) |
|-----------------|------------------------------------|
| 4 Weeks | 3.7 |
| 8 Weeks | 5.2 |
| 12 Weeks | 6.6 |



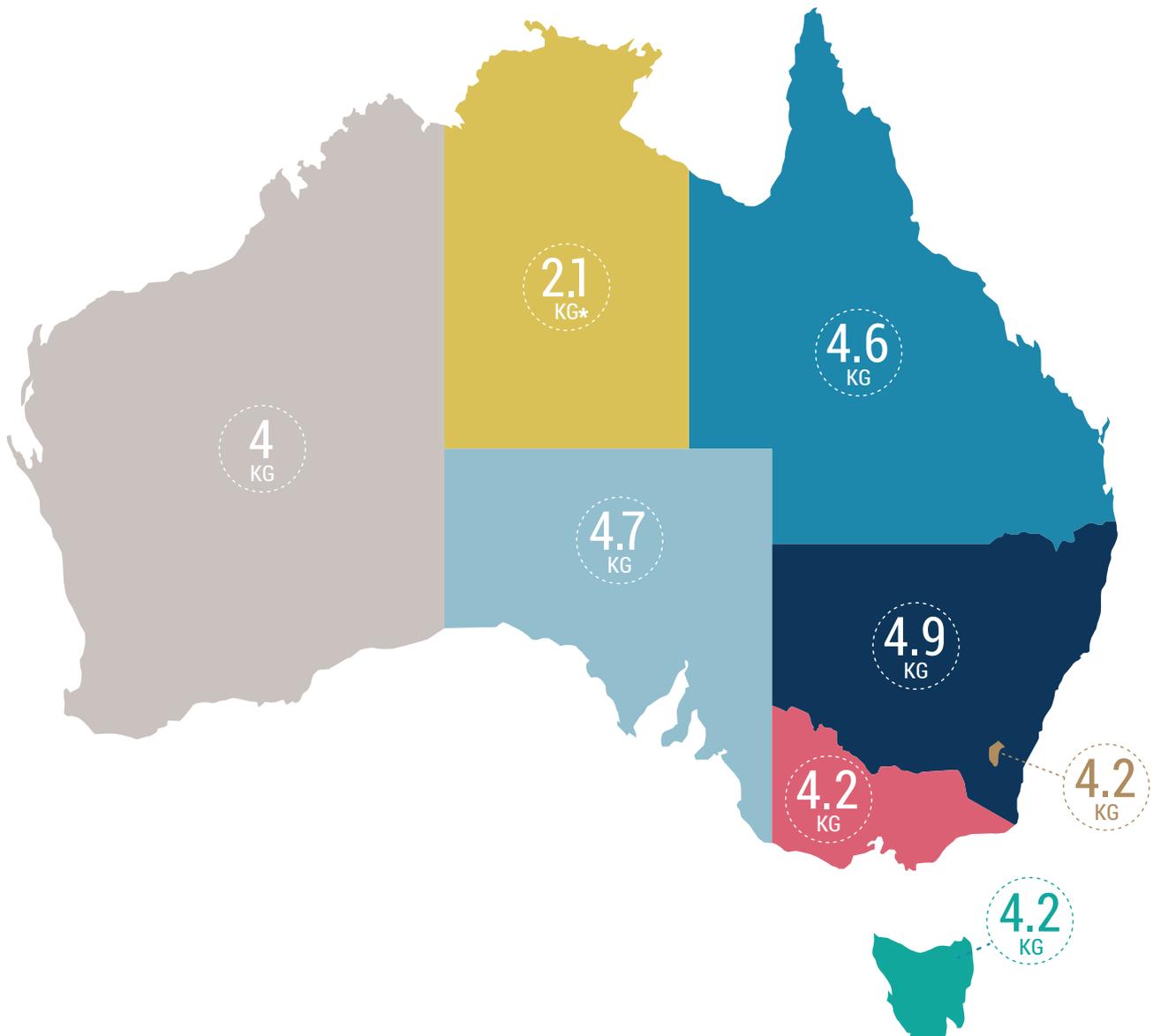
KEY WEIGHT LOSS RESULTS

AVERAGE WEIGHT LOSS

The average recorded weight loss for Impromy members is 4.5 kg. This includes all members, whether they have been on the program for one week, right through to 12 or more weeks. Members that have stayed on the program for more than four weeks have achieved an average weight loss of 6.6 kg. A quarter of all Impromy members achieve weight loss 10 per cent or more of their body mass over 12 weeks.

**4.5KG IS THE
AVERAGE WEIGHT LOSS**

**AVERAGE WEIGHT LOSS
(KG) PER STATE**



* Note that the Impromy program was launched more recently in the Northern Territory than other states and territories.

HOW CAN PEOPLE JOIN

People can book a consultation with an authorised Impromy Health Service Centre or participating pharmacy by visiting the Impromy website.

<http://impromy.com/register-program/>

WHICH PHARMACIES ARE PARTICIPATING IN THE PROGRAM?

All participating pharmacies can be viewed on the Impromy website.

<http://impromy.com/program-locations/>

IMPROMY FAST FACTS

- THE IMPROMY PROGRAM COMBINES NUTRITIOUS MEALS WITH PHARMACY CONSULTATIONS AND SUPPORTING MOBILE APP.
- THE IMPROMY PROGRAM COMBINES NUTRITIOUS SHAKES, MEAL BARS AND HEALTHY SNACKS WITH WHOLESOME COOKED MEALS.
- RESEARCH INDICATES THAT ENGAGEMENT WITH A CONSULTANT AND USE OF SMARTPHONE APPLICATIONS TO TRACK PROGRESS RESULTS KEEPS PEOPLE COMMITTED TO ACHIEVING WEIGHT LOSS GOALS.
- EXCLUSIVELY AVAILABLE THROUGH 290+ PHARMACIES PROVIDING PROFESSIONAL ADVICE AND PERSONALISED CONSULTATIONS – WITH MORE PHARMACIES BE ADDED TO THE LIST.
- HIGH PROTEIN MEALS AND NUTRITIONALLY ENHANCED MEAL REPLACEMENTS.
- THE PROGRAM INCLUDES REGULAR ONE-ON-ONE HEALTH REVIEW CONSULTATIONS.
- THE SMARTPHONE APP TRACKS WEIGHT LOSS AND PROVIDES VIRTUAL SUPPORT BETWEEN VISITS WITH A CONSULTANT.
- IMPROMY PROVIDES SUPPORT THROUGH A HEALTH AND WEIGHT MANAGEMENT CONSULTANT AS WELL AS A CUSTOMER PHONE LINE.
- IMPROMY CONNECTS PARTICIPANTS IN THE PROGRAM TO HEALTH PROFESSIONALS INCLUDING GPs, DIETITIANS, EXERCISE PHYSIOLOGISTS AND PSYCHOLOGISTS AS NEEDED.
- IMPROMY CONSULTANTS PROVIDE ALL CLIENTS WITH A PERSONALISED APPROACH DEPENDING ON THEIR NEEDS.



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