

Anatara Lifesciences Appendix 4C and Q4 FY21 Activities Report

Key highlights for Q4 FY21

- **Human Research Ethics Committee approval to undertake a clinical trial on psychological functioning, in collaboration with CSIRO**
- **Australian patent grant for Anatara's animal health product, Detach – enhancing the pathway to pursue commercialisation opportunities**
- **Active program in place over the coming 6 to 12 months to progress the commercialisation of health product portfolio**
- **BONIFF-SMEC piglet challenge study for enterotoxigenic *Escherichia Coli* dosing completed; study results imminent**

MELBOURNE, 28 July 2021: Anatara Lifesciences (ASX: ANR), a developer of evidence based solutions for gastrointestinal diseases in animals and humans, is pleased to provide this activities report for the quarter ending 30 June 2021 (Q4 FY21), along with the Company's Appendix 4C cash flow report.

Commenting on the quarter, CEO Steve Lydeamore said, "Anatara is pleased to have made solid progress in obtaining the appropriate approval and grants for our human and animal health products over this period. We are at an exciting phase of Anatara's development, with two human clinical trials now imminent, and a number of pathways being pursued for the commercialisation of both the human and animal products."

"More than ever, the world is looking for safe and effective solutions to gut health. Anatara's progress to-date in developing evidence-based solutions for the sufferers of gut symptoms, including both irritable and inflammatory bowel syndromes, is now focused on the commencement of our human trials. The human clinical trials are the key next step to moving closer to commercialisation and entering the US\$8+ billion gastrointestinal supplements and over-the-counter digestive remedies market."

Irritable Bowel Syndrome (IBS) Trial Recruitment imminent

Anatara has strong pre-clinical data to support GaRP use in IBS, the most commonly diagnosed gastrointestinal condition and a significant cost burden on health care. Anatara received Human Research Ethics Committee approval to undertake a clinical trial of GaRP for participants with irritable bowel syndrome – diarrhoea subtype (IBS-D), in February.

The Company has prepared its trial recruitment website which will be launched very soon following Covid related manufacturing delays. GaRP has been manufactured and shipped and the placebo has been coated and is presently being packaged. Recruitment for both GaRP and 3FDC clinical trials are anticipated to commence during the next quarter.

Ethics approval to start Psychological Functioning Trial in adults

Anatara announced in April that it had received Human Research Ethics Committee approval to conduct a clinical trial with CSIRO on the effect of 3FDC dietary supplementation on psychological functioning in an adult population.

3FDC is one of the components of Anatara's GaRP dietary supplement with a method of action in the large intestine. One aspect is to assist the homeostasis of the microbiome which is considered important for the "gut-brain axis" balance. The 3FDC components have been selected to explore their effects on depression, anxiety and stress symptoms in otherwise healthy individuals.

The CSIRO team will develop the work guidelines and initiate recruitment with the aim of dosing the first participants in the third quarter of calendar year 2021. Recruitment is anticipated to begin from September 2021.

Australian patent grant for Detach®

In April Anatara announced the grant of patent number AU2019204496 entitled "Anti-diarrhea formulation which avoids antimicrobial resistance".

Anatara's animal health product, registered in Australia as Detach®, uses the patent as a non-antibiotic approach to aid in the control of diarrheal disease (known as "scour" which can be a debilitating and, in some cases, life-threatening condition) developed using bromelain, an extract from pineapple stems.

The patent claims cover an oral formulation of bromelain effective to treat and prevent diarrhea caused by pathogenic microbes. This formulation does not kill pathogenic microbes, and thus does not facilitate the proliferation of anti-microbial resistant organisms. The patent is fully owned by Anatara and will expire on 24 August 2038.

The patent provides the pathway for Anatara to further pursue commercialisation opportunities for Detach®.

Anatara Lifesciences Limited

Registered Office

Level 3, 62 Lygon Street, Carlton South, VIC, 3053, Australia

Administration and R&D

343 Royal Parade, Parkville, Melbourne, VIC 3052, Australia

Email info@anatara.com | Website anataralifesciences.com



BONIFF piglet challenge study

To address piglet scour, which is estimated to cost the Australian pig industry more than \$7 million per year, Anatara and Ridley initiated a weaner piglet challenge study, utilising Anatara's bromelain-based formulation (BONIFF). The study was conducted by Murdoch University, with funding from the Australasian Pork Research Institute Ltd.

Murdoch University has completed dosing in the study which tested a modified formulation of BONIFF in Semi-Moist Extruded Creep¹ (SMEC) feed on weaning piglets under an enterotoxigenic *Escherichia coli* (ETEC) challenge model, to determine the efficacy of this combined formulation on piglet health, welfare, and performance after weaning. The outcome of this study will be announced upon completion of the study report, which is expected in the very near future.

Subject to successful results, discussions will commence with pig producers and animal feed/nutrition companies.

Summary of Q4 FY21 cashflows

The Company's cash plus term deposits at the end of the quarter stood at \$3.42 million (31 March 2021: \$3.96 million), which comprised cash at bank of \$1.72 million and \$1.7 million in term deposits.

Net cash outflow during the quarter was \$0.52 million. Staff, Admin and Corporate cash outflow of \$0.48 million was 7% lower than the prior quarter.

Aggregate payments to related parties and their associates during the quarter was \$79,000 which includes directors' fees and superannuation.

Near term operational milestones

Over the next 6-12 months, the Company is aiming to:

- Sign a commercial agreement for one or more of Anatara's health products
- Commence recruitment for the clinical study with GaRP in IBS patients;
- Commence recruitment of the clinical study with 3FDC in adult participants with moderate anxiety, stress or depression

"With an active program in place over the next 6 to 12 months, including the pursuit of partnership agreements, we are well placed to advance the commercialisation of our current health products", concluded Mr Lydeamore.

¹ Creep feeding is a method of supplementing the diet of young livestock, by offering feed to animals who are still nursing



For more information please contact:

General inquiries	
Steven Lydeamore CEO, Anataro Lifesciences Ltd +61 (0) 438 027 172 slydeamore@anataro.com	Dr. David Brookes Chairman, Anataro Lifesciences Ltd +61 (0) 411 712 579 dbrookes@anataro.com

About Anataro Lifesciences Ltd

Anataro Lifesciences Ltd (ASX:ANR) is developing and commercialising innovative, evidence-based products for gastrointestinal health where there is significant unmet need. Anataro is a life sciences company with expertise in developing products for animal and human health. Anataro is focused on building a pipeline of human gastrointestinal health products. Underlying this product development program is our commitment to delivering real outcomes for patients and strong value for our shareholders.

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Registered Office

Level 3, 62 Lygon Street, Carlton South, VIC, 3053, Australia

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Anatara Lifesciences Ltd (ASX: ANR)

ABN

41 145 239 872

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(57)	(1,080)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	(12)	(59)
(e) staff costs	(334)	(1,283)
(f) administration and corporate costs	(145)	(761)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	979
1.8 Other (provide details if material)	23	112
1.9 Net cash from / (used in) operating activities	(521)	(2,079)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(5)	(5)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(8)	(8)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(13)	(13)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,032
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(199)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	2,833

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,957	2,682
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(521)	(2,079)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(13)	(13)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,833
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,423	3,423

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,723	1,457
5.2	Call deposits	1,700	2,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,423	3,957

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	79
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Item 6.1 Reflects amounts paid to directors including director's fees, salaries, superannuation, bonuses and consulting fees (excluding reimbursements).

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(521)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,423
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,423
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	7
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<div style="border: 1px solid black; height: 30px; width: 100%; margin-top: 5px;"></div>	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<div style="border: 1px solid black; height: 30px; width: 100%; margin-top: 5px;"></div>	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
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<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 July 2021



Steven Lydeamore, Chief Executive Officer

Authorised by: The Board of Anatara Lifesciences Ltd

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.