

## ASX Release

# Investor presentation on exclusive global license agreement with Zoetis

### Key points:

- **Anatara releases investor presentation containing structure and terms of its recently announced exclusive global license agreement for lead product, Detach<sup>®</sup> with Zoetis Inc., the leading global animal health company**

BRISBANE, 16<sup>th</sup> May 2018: Anatara Lifesciences (ASX:ANR) is pleased to release a new investor presentation following yesterday’s announcement that Anatara had established an exclusive licensing agreement with Zoetis Inc., the leading global animal health company, for the worldwide development, manufacture, distribution and marketing of Detach<sup>®</sup> as a non-antibiotic approach to aid in the control of diarrhoeal disease (known as scour) in livestock and in horses.

The investor presentation includes additional information on the structure of the agreement, including the deal terms for up front payments and milestones, and the expected royalty range on product sales.

A copy of the presentation is appended with this cover note.

### For more information please contact:

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### About Anatara Lifesciences

Anatara Lifesciences is developing therapeutics for gastrointestinal diseases in production animals and humans. Its lead product Detach<sup>®</sup> is a natural plant based product that will help address global concerns around the overuse of antibiotics in production animals that is contributing to the rise of so-called “super bugs” that make infectious diseases harder to treat. The Anatara team has a strong track record in biological science as well as building and growing international biotech companies. For more information, visit: [www.anataralifesciences.com](http://www.anataralifesciences.com).

**About Zoetis**

Zoetis is the leading animal health company, dedicated to supporting its customers and their businesses. Building on more than 60 years of experience in animal health, Zoetis discovers, develops, manufactures and markets veterinary vaccines and medicines, complemented by diagnostic products, genetic tests, biodevices and a range of services. Zoetis serves veterinarians, livestock producers and people who raise and care for farm and companion animals with sales of its products in more than 100 countries. In 2017, the company generated annual revenue of \$5.3 billion with approximately 9,000 employees. For more information, visit [www.zoetis.com](http://www.zoetis.com).



# Investor update – major milestone achieved

May 2018



**ANATARA**  
LIFESCIENCES

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# About Anatara Lifesciences

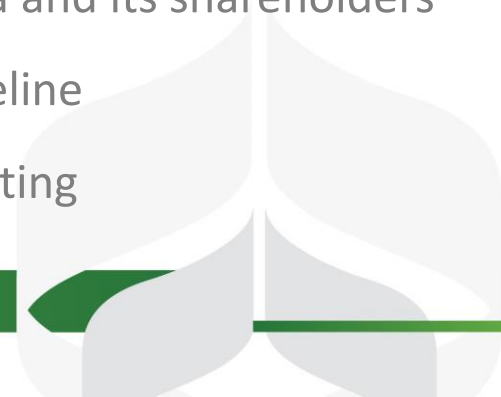
*Anatara is commercialising non-antibiotic, oral products for gastrointestinal disease in animals and humans where there is a significant unmet need*



# Investment Highlights

## Major IPO prospectus and corporate milestone recently met:

- **Exclusive global agreement announced with Zoetis on 15 May 2018 for the worldwide development, distribution and marketing of Anatar's lead product, Detach<sup>®</sup> in livestock and horses**
- Agreement structure includes:
  - US \$2.5m upfront payment on execution, with US \$2m credited against previously paid fees
  - Milestone payments of up to US \$6.3m subject to first commercial sales and aggregate annual sales exceeding certain amounts
  - Royalty rates on product sales, in the typical animal health range of 3-4%<sup>1</sup>
- Zoetis agreement represents a major milestone for Anatar and its shareholders
- Anatar team to now focus on development of human pipeline
- Strong growth since IPO, with share price up 324% since listing



# Key Financial Details

<b>ASX Code</b> <b>ANR</b>	<b>Market Capitalisation<sup>1</sup></b> <b>\$80.05 million</b>	<b>Share Price<sup>1</sup></b> <b>\$1.62</b>
<b>Current Cash<sup>2</sup></b> <b>\$8.76 million</b>	<b>Ordinary Shares</b> <b>49,413,236</b>	<b>Share Price up 324% since IPO</b>

1. As at 16 May 2018

2. Appendix 4C - 31 Mar 2018



# ANR share price chart

Share price from IPO  
to 4 April 2018





# Positioned within two global investment themes

As the issue of antimicrobial resistance gains international momentum and interest in gut health continues to grow at a rapid pace, Anantara's business focus means we are perfectly positioned to impact both of these global issues:

## 1. *Antimicrobial Resistance*

- Our objective is to find a safe way to treat diarrhoea in piglets and to preserve antibiotics for problems where there is no other solution

## 2. *Gut health*

- We are focused on applying our technology to humans in order to deliver safe and effective solutions for gastrointestinal disease



# Antimicrobial resistance in 2 mins

## What is antimicrobial resistance (AMR or drug resistance)?

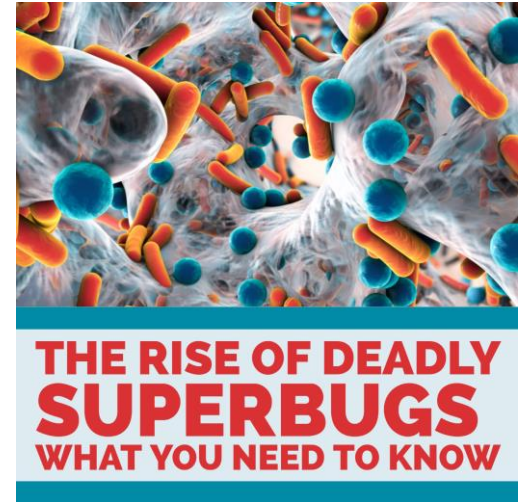
- AMR happens when microorganisms (such as bacteria, fungi, viruses, and parasites) change when they are exposed to antimicrobial drugs (such as antibiotics, antifungals, antivirals, etc.).
- Microorganisms that develop antimicrobial resistance are sometimes referred to as “superbugs”.

## What’s accelerating the spread?

- AMR occurs naturally over time, however the misuse and overuse of antimicrobials in people and animals is dramatically accelerating this process.

## Why is it a global concern?

- New resistance mechanisms are emerging and spreading globally
- This threatens our ability to treat common infectious diseases, resulting in prolonged illness, disability, and death.



# A truly global issue

“If we fail to act, we are looking at an almost unthinkable scenario where antibiotics no longer work and we are cast back into the dark ages of medicine”

*David Cameron, former UK PM*



# AMR by the numbers

**70%**

of bacteria globally has developed some level of resistance to antibiotics<sup>1</sup>

**700,000**

**deaths**

the number of people dying now per year from AMR<sup>2</sup>

**75%**

How much agriculture accounts for of annual antimicrobial consumption in the US & EU<sup>2</sup>

**80%**

the number of OECD countries that have now banned the use of antibiotics for growth promotion in livestock<sup>2</sup>

**10 million**

**deaths**

the number of people who will die every year due to AMR by 2050<sup>3</sup>

**\$100 trillion**

the estimated total GDP that will be lost globally by 2050 if

AMR isn't tackled<sup>3</sup>



# Lead Product - Detach<sup>®</sup>

- Natural, safe, non-antibiotic product that aids in the control of diarrhoea (known as scour in livestock)
- Meets the need to reduce the use of antibiotics and zinc oxide in animal production
- Unlike antibiotics and zinc oxide, Detach<sup>®</sup> is unlikely to contribute to antimicrobial resistance



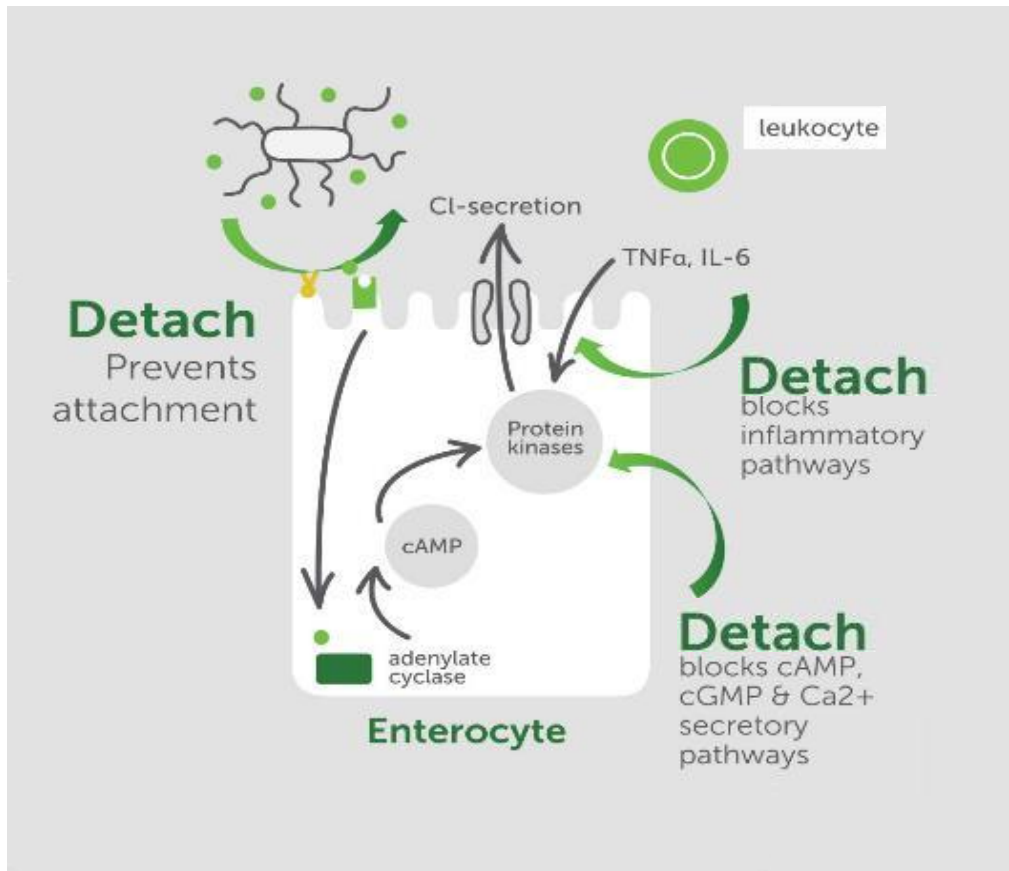
# Market opportunity is clear

- Detach<sup>®</sup> addresses a **major need** – effective non-antibiotics to control diarrhoea
- Governments are increasingly banning antibiotics for growth promotion and restricting prophylactic use in animal production
- Global animal antibiotic and antimicrobial market valued at ~ \$4.7 billion by 2021<sup>1</sup>. Production animals 70%. Pigs lead by market share of 25%
- Global demand for animal protein is rising as the human population grows and more people shift toward a meat-based diet
- Consumers expect their food to be safe
- Retailers are pledging to offer '*antibiotic free*' meat





# Detach<sup>®</sup> Triple Mode of Action



Detach<sup>®</sup> does not target the pathogen

Detach<sup>®</sup> acts on the underlying cause of diarrhoea

1. Chandler and Mynott. 1998. *Gut* 43:196-202
2. Mynott, et al., 1996. *Gut* 38:28-32
3. Mynott, et al. 1997. *Gastroenterol.* 113:175-184
4. Mynott et al. 1999. *J. Immunol.* 163:2568-2575

# Becoming part of the solution

*Anatara and Zoetis announce exclusive global agreement for the development, distribution and marketing of Detach™*

*(Pictured, Anatara's Dr Tracey Mynott, scientific founder of Detach®)*





# #1 major commercial milestone met

- Leading global animal health company, Zoetis Inc licensed Detach<sup>®</sup> to aid in the control of diarrhoeal disease in livestock and horses
- Zoetis to manage worldwide development, manufacturing, distribution, and marketing of Detach<sup>®</sup> for livestock animals and horses
- **Zoetis committed to finding natural alternatives to help control gastrointestinal disease**



# Licensing agreement – deal terms

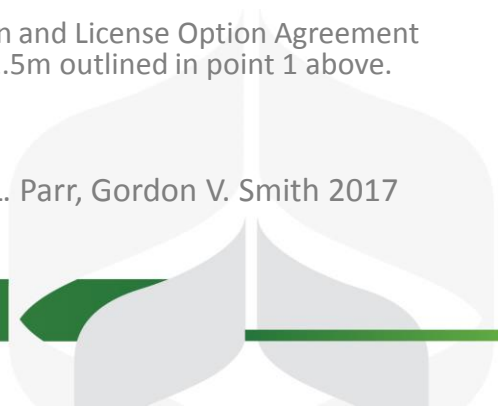
1. Terms of the agreement include an upfront payment of US\$2.5m on execution, \$2m of which shall be credited against previously paid option fees<sup>1</sup>
2. Milestone payments of up to US\$6.3m subject to first commercial sales and aggregate annual sales exceeding certain amounts<sup>2</sup>
3. Typical animal health royalty rates in the range of 3-4%<sup>3</sup>
4. Intellectual property licensed to Zoetis under the agreement remains sole property of Anantara
5. **Most importantly, Zoetis will use its global resource to take carriage of the worldwide development, manufacture, distribution and marketing of Detach<sup>®</sup>**

## Notes to the agreement terms

<sup>1</sup> Anantara has received \$2m to date in payments from Zoetis under the Exclusive Research Evaluation and License Option Agreement announced on 18<sup>th</sup> January 2016. Those funds are considered part of the up front payment of US\$2.5m outlined in point 1 above.

<sup>2</sup> Major milestone payments are triggered by sales targets and are not time related

<sup>3</sup> Source: Intellectual Property: Valuation, Exploitation, and Infringement Damages. Russell L. Parr, Gordon V. Smith 2017



# What does it mean to partner?

## Development

Zoetis will work to develop Detach® for use in a range of livestock species and horses. This is a significant development effort which would have been outside of Anatará's capacity as a small company.

## Manufacturing

Backed by its global network and position as world's leading animal health company, Zoetis will take ownership for manufacturing of Detach®

## Distribution

Zoetis products are sold across 120+ countries. Through this agreement, Zoetis will find appropriate homes for Detach® throughout its portfolio.

## Marketing

Marketing animal products is a full time job! This agreement means Detach® will be marketed by some of the world's best animal health marketers.



# Zoetis at a glance

The Zoetis logo is displayed in orange lowercase letters with a stylized underline for the 'o'.

- Zoetis (zō-EH-tis) are the **#1 global animal health company**
- **60+ years** of experience in animal health
- **120+ countries** in which Zoetis products are sold
- **~\$5 billion** annual revenue
  - 65% revenue from farm animal products
  - 34% revenue from companion animal products
- **10,000 staff** including 3600+ field force
- **8 animal species** – cattle, swine, poultry, sheep, fish, dogs, cats and horses
- **5 product categories** – anti-infectives, vaccines, medicinal feed additives, parasiticides & other pharmaceutical products

“Veterinarians and livestock farmers are seeking new, integrated solutions to help keep animals healthy,”

Dr. Scott A. Brown, Vice President, External Innovation at Zoetis.

# What's next?

- Anantara team to now focus on development of human pipeline
- Focus is on human gastrointestinal health applications
- Comprehensive strategy under development






# Thank you

*Anatara's naturally derived products will offer a safe and effective non antibiotic solutions for gastrointestinal diseases. The Company is uniquely positioned to fulfil a currently unmet need in the global health market.*

Dr Mel Bridges, CEO & Chairman, Anatara Lifesciences

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