

## ASX Release

### Anatara Appendix 4C

BRISBANE & MELBOURNE, 17<sup>th</sup> October 2019: Anatara Lifesciences Ltd (ASX:ANR) is pleased to release its Appendix 4C for the quarter ending 30<sup>th</sup> September 2019. The Company's cash plus term deposits at the end of the quarter stood at \$4.5m. On 30<sup>th</sup> September 2019, the Company had cash at bank of \$3,953,029 and \$500,000 in term deposits. Expenditure during the quarter was lower than forecast.

Forecast expenditure for the December 2019 quarter is anticipated to increase as the Company advances the development of its Gastrointestinal Reprogramming (GaRP) dietary supplement. A refund from the Australian Taxation Office under the Federal Government's Research and Development (R&D) Tax Incentive scheme is anticipated to be received in December 2019.

The Company continued an active market awareness program during the period. Anatara CEO, Steve Lydeamore, presented at the Bioshares Biotech Summit in July and the Monsoon Communications Investor Twilight Briefing in August. Upcoming presentations will be made at the Australian Microcap Investment Conference in Melbourne next week (22-23 October) and the Australia Biotech Invest & Partnering Conference also in Melbourne, on 31<sup>st</sup> October. Complimentary investor passes are available. Please email Hayley van der Meer at [hvandermeer@anatara.com](mailto:hvandermeer@anatara.com) for more information.

Post the period, in advance of the Company's Annual General Meeting (AGM), Anatara released its Notice of Meeting and Annual Report to shareholders this month. Anatara's AGM will be held in Sydney on 11 November 2019 and the Company welcomes shareholder attendance.

In July 2019, the external equity research teams at PAC Partners and Pitt Street Research independently updated their analyst coverage of Anatara. PAC Partners provided a Buy rating and price target of \$0.90/share and Pitt Street Research providing a base case valuation of \$1.09/share.

Earlier this week, Anatara reported statistically significant efficacy data from its *in vivo* animal studies and further positive *in vitro* proof of concept data for its GaRP dietary supplement product. Successful completion of the preclinical program has provided strong scientific proof that GaRP has the potential to be a game changing dietary supplement. When compared to a placebo control, GaRP reduced the combined disease characteristics of colon inflammation and disrupted bowel habits by 2.5-fold ( $p=0.012$ ). Preclinical studies also demonstrated that GaRP

upregulated the expression of the MUC2 and MUC6 genes that are normally reduced in both IBD and IBS. Using RT-PCR quantitation methodology, the Anataara team found that GaRP increased the expression of the MUC2 and MUC6 genes by a factor of 5 to 7-fold (MUC2 and MUC6,  $p < 0.001$ ) which provides evidence that the GaRP dietary supplement may be effective in promoting the healing of damaged gastrointestinal mucosa often associated with chronic bowel disorders.

Combined with our proof of concept data released in February 2019, Anataara has now demonstrated its GaRP formulation can address microbiome dysbiosis, reduce gut inflammation as well as promoting mucosal healing. By targeting all three underlying factors associated with chronic gastrointestinal conditions, GaRP looks to address a significant unmet medical need with Irritable Bowel Syndrome (IBS) and Inflammatory Bowel Disease (IBD) patients.

A human clinical study of GaRP in Irritable Bowel Syndrome is expected to be initiated late 2019, with a view to partnering in the second half of calendar 2020.

Looking ahead, Anataara will continue to execute its human health development plans, and in parallel, the Company has prioritised a strategic review of all options to deliver on the global value of the Company's animal health assets including launch of Detach<sup>®</sup> in Australia and global licensing.

**For more information please contact:**

Investor and Media inquiries	
Steven Lydeamore CEO, Anataara Lifesciences Ltd +61 (0) 438 027 172 slydeamore@anataara.com	Sue MacLeman Chair, Anataara Lifesciences Ltd +61 (0) 437 211 200 smacleman@anataara.com

**About Anataara Lifesciences Ltd**

Anataara Lifesciences Ltd (ASX:ANR) is developing and commercialising innovative, evidence-based products for gastrointestinal health where there is significant unmet need. Anataara is a life sciences company with expertise in developing products for animal and human health. Anataara 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.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Anatara Lifesciences Ltd (ASX: ANR)

**ABN**

41 145 239 872

**Quarter ended ("current quarter")**

30 September 2019

Consolidated statement of cash flows	Current quarter A'000	Year to date (3 months) A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(208)	(208)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(529)	(529)
(f) administration and corporate costs	(307)	(307)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	57	57
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	33	33
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(954)</b>	<b>(954)</b>

Consolidated statement of cash flows		Current quarter A'000	Year to date (3 months) A'000
<b>2.</b>	<b>Cash flows from investing activities</b>	-	-
2.1	Payments to acquire:		
	(a) property, plant and equipment	(3)	(3)
	(b) businesses (see item 10)	-	-
	(c) investments ( <i>term deposits of greater than 90 days</i> )	(500)	(500)
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) property, plant and equipment		
	(b) businesses (see item 10)	-	-
	(c) investments ( <i>term deposits of greater than 90 days</i> )	4,050	4,050
	(d) intellectual property	-	-
	(e) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>3,547</b>	<b>3,547</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,360	1,360
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(954)	(954)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	3,547	3,547
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>3,953</b>	<b>3,953</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	953	1,360
5.2	Call deposits ( <i>deposits with terms of less than or equal to 90 days</i> )	3,000	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,953</b>	<b>1,360</b>

(\*) As at 30 September 2019, other than the cash and cash equivalents presented above, the Company also had \$500,000 (30 June 2019: \$4,050,000) in deposits with terms of greater than 90 days.

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	99
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
-	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	558
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	403
9.6 Administration and corporate costs	419
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,318</b>

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

### 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.



Sign here: .....  
(Chief Executive Officer)

Date: 17 October 2019

Print name: Steven Lydeamore

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.