

Anatara Lifesciences Ltd  
Appendix 4D  
For the half-year 31 December 2019

# Anatara Lifesciences Ltd

## Appendix 4D

### Half-year 31 December 2019

Name of entity:	Anatara Lifesciences Ltd
ABN:	41 145 239 872
Half-year ended:	31 December 2019
Previous period:	31 December 2018

#### Results for announcement to the market

					\$
Revenue for ordinary activities	Down	18.9%	to	451,612	
Net loss after tax (from ordinary activities) for the period attributable to members	Down	10.8%	to	(1,803,324)	

#### Net tangible assets per security

	31 December 2019	31 December 2018
Net asset backing (per share)	0.09	0.13

AASB 16 has not had any impact on Anatara's net tangible assets calculation as AASB 16 has not resulted in additional assets being recognised on Anatara's statement of financial position.

#### Explanation of results

An explanation of the key financial elements contributing to the revenue and result above can be found in the review of operations included within the directors' report.

#### Distributions

No dividends have been paid during the financial period. The directors do not recommend that a dividend be paid in respect of the financial period (2018: nil).

#### Changes in controlled entities

N/A

#### Other information required by Listing Rule 4.2A

N/A

# **Anatara Lifesciences Ltd**

ABN 41 145 239 872

## **Interim financial report for the half-year 31 December 2019**

<b>Directors</b>	Ms Sue MacLeman <i>Non-Executive Chair</i>  Dr Tracie Ramsdale <i>Non-Executive Director</i>  Dr Jane Ryan <i>Non-Executive Director</i>  Dr David Brookes <i>Non-Executive Director</i>
<b>Secretary</b>	Mr Stephen Denaro
<b>Principal registered office in Australia</b>	433 Logan Road Brisbane QLD 4120 Australia +61 (0)7 3394 8202
<b>Share and debenture register</b>	Computershare Investor Services Pty Limited Level 1, 200 Mary Street Brisbane QLD 4000 +61 (0)7 3237 2100
<b>Auditor</b>	Grant Thornton Audit Pty Ltd Collins Square Tower 5, 727 Collins Street Melbourne VIC 3008 +61 (0)3 8320 2222
<b>Solicitors</b>	Thomson Geer Level 16, Waterfront Place 1 Eagle Street Brisbane QLD 4000
<b>Bankers</b>	Commonwealth Bank of Australia Melbourne VIC 3000
<b>Website</b>	<a href="http://www.anataralifesciences.com">www.anataralifesciences.com</a>

# Anatara Lifesciences Ltd

ABN 41 145 239 872

## ***Interim report - 31 December 2019***

### **Contents**

	Page
Directors' report	3
Auditor's independence declaration	5
Interim financial report	
Condensed consolidated statement of profit or loss and other comprehensive income	6
Condensed consolidated balance sheet	7
Condensed consolidated statement of changes in equity	8
Condensed consolidated statement of cash flows	9
Notes to the condensed consolidated financial statements	10
Directors' declaration	15
Independent auditor's report to the members	16

Your directors present their report on the consolidated entity consisting of Anatara Lifesciences Ltd and the entities it controlled at the end of, or during, the half-year ended 31 December 2019. Throughout the report, the consolidated entity is referred to as the Group.

### Directors

The following persons were directors of Anatara Lifesciences Ltd during the whole of the half-year and up to the date of this report:

Ms Sue MacLeman  
Dr Tracie Ramsdale  
Dr Jane Ryan  
Dr David Brookes

### Principal activities

The Group is an Australian listed entity that is developing and commercialising innovative, evidence-based products for gastrointestinal health in animals and humans where there is a significant unmet need. Lead products are Detach® for animals and **Gastrointestinal ReProgramming** dietary supplement (GaRP) for humans.

### Dividends

No dividends have been paid during the financial period. The directors do not recommend that a dividend be paid in respect of the financial period (2018: \$nil).

### Review of operations and financial results

During the half year to 31 December 2019, the Company made significant steps towards taking its first human gastrointestinal health product, **GaRP (Gastrointestinal ReProgramming dietary supplement)**, to market. Expenditure in furthering this effort resulted in a loss after tax of \$1,803,324 for the period (December 2018: \$2,021,040). Anatara is prioritising research and development and commercial development with investment increasing in both areas. General and administrative expenditure was 30% lower than the previous corresponding period.

#### *Human Health*

In December 2019, Anatara outlined the successful preclinical program for its GaRP dietary supplement which the Company believes may be the breakthrough product so desperately needed by patients suffering chronic bowel conditions. GaRP has been shown to: (1) address the dysbiosis of the microbiome; (2) reduce gut inflammation, and; (3) promote mucosal healing. Anatara's GaRP dietary supplement has the potential to be used in a wide range of chronic gastrointestinal (GI) indications such as irritable bowel syndrome (IBS) and inflammatory bowel disease (IBD). As such, Anatara sought to establish that the product would not interfere with the effectiveness of commonly used prescription medications indicated for GI disorders, as well as other commonly used complementary and alternative medicines, such as probiotics. In preclinical studies, GaRP demonstrated it has the potential to provide: (a) an adjuvant effect in reducing inflammation with the co-administration of disease-modifying medications, and (b) dose reduction of disease-modifying medications known to have devastating side-effects. Furthermore, the administration of GaRP did not affect the uptake or potential activity of probiotics.

#### *Human Clinical Study*

The Company remains highly encouraged by the successful in vitro and in vivo preclinical data reported for its GaRP dietary supplement to date, providing the Company with every confidence going into a human clinical study this year.

## Review of operations and financial results (continued)

### *Detach®*

Anatara believes that a substantial market opportunity for Detach® exists, with more pressure than ever on producers to reduce their antibiotic use and find suitable alternatives which minimise illnesses, such as scour, on farms. Effective, registered alternatives to antibiotics for scour prevention in piglets are limited. Anatara is exploring options to develop an in-feed line extension of Detach®. The Company has advanced discussions with a number of potential international licensees of Detach® underway.

### *Commercial focus*

Looking ahead, Anatara is coming into one of the most exciting times in the Company's history. Over the next 6-12 months, the Company is targeting to:

- undertake a human clinical study with GaRP in IBS patients this year;
- announce a partnering deal for GaRP by the end of this calendar year;
- explore options to build marketing capability and a pipeline of over-the-counter (OTC) gut health products in Australia(\*), and;
- announce a partnering deal for our animal health product, Detach® by the end of June.

(\*) Anatara is evaluating evidence-based gut health consumer products already commercialised in international markets and is advanced in negotiations with one potential product partner.

### **Significant changes in the state of affairs**

There have been no significant changes in the state of affairs of the group during the period.

### **Events since the end of the financial year**

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect:

- (a) the Group's operations in the future financial periods, or
- (b) the results of those operations in future financial periods, or
- (c) the Group's state of affairs in future financial periods.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of directors.



Ms Sue MacLeman  
Director

Melbourne  
24 February 2020

## Auditor's Independence Declaration

### To the Directors of Anantara Lifesciences Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Anantara Lifesciences Ltd for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance

Melbourne, 24<sup>th</sup> February 2020

---

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

[www.granthornton.com.au](http://www.granthornton.com.au)

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

**Anatara Lifesciences Ltd**

**Condensed consolidated statement of profit or loss and other comprehensive income**  
**For the half-year 31 December 2019**

		<b>Consolidated entity</b>	
		<b>31 December</b>	31 December
		<b>2019</b>	2018
	Notes	\$	\$
Revenue from contracts with customers		-	23,331
Other income	5	<b>417,352</b>	463,290
General and administrative expenses	5	<b>(1,628,165)</b>	(2,310,751)
Research and development expenses		<b>(626,771)</b>	(266,921)
<b>Operating loss</b>		<b>(1,837,584)</b>	(2,091,051)
Finance income		<b>34,260</b>	70,011
<b>Loss before income tax</b>		<b>(1,803,324)</b>	(2,021,040)
Income tax expense		-	-
<b>Loss for the period</b>		<b>(1,803,324)</b>	(2,021,040)
<b>Other comprehensive income</b>			
<b>Total comprehensive loss for the period</b>		<b>(1,803,324)</b>	(2,021,040)
		<b>Cents</b>	Cents
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:</b>			
Basic earnings per share	8	<b>(3.64)</b>	(4.09)
Diluted earnings per share	8	<b>(3.64)</b>	(4.09)

*The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**Anatara Lifesciences Ltd**  
**Condensed consolidated balance sheet**  
**As at 31 December 2019**

	<b>Consolidated entity</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2019</b>	<b>2019</b>
Notes	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,799,950	1,360,077
Other current assets	75,458	49,021
Trade and other receivables	6 393,176	895,986
Deposits at call	500,000	4,050,000
<b>Total current assets</b>	<b>4,768,584</b>	<b>6,355,084</b>
<b>Non-current assets</b>		
Property, plant and equipment	12,889	20,196
Intangible assets	7,046	7,046
<b>Total non-current assets</b>	<b>19,935</b>	<b>27,242</b>
<b>Total assets</b>	<b>4,788,519</b>	<b>6,382,326</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	411,946	364,551
Employee benefit obligations	83,782	88,269
<b>Total current liabilities</b>	<b>495,728</b>	<b>452,820</b>
<b>Non-current liabilities</b>		
Employee benefit obligations	25,573	13,939
<b>Total non-current liabilities</b>	<b>25,573</b>	<b>13,939</b>
<b>Total liabilities</b>	<b>521,301</b>	<b>466,759</b>
<b>Net assets</b>	<b>4,267,218</b>	<b>5,915,567</b>
<b>EQUITY</b>		
Contributed equity	7 17,015,965	16,941,392
Other reserves	7 579,472	499,070
Retained earnings	(13,328,219)	(11,524,895)
<b>Total equity</b>	<b>4,267,218</b>	<b>5,915,567</b>

*The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.*

**Anatara Lifesciences Ltd**  
**Condensed consolidated statement of changes in equity**  
**For the half-year 31 December 2019**

	Attributable to owners of Anatara Lifesciences Ltd			Total equity \$
	Share capital \$	Share options and performance rights reserve \$	Accumulated losses \$	
<b>Consolidated entity</b>				
<b>Balance at 1 July 2018</b>	16,941,392	583,749	(8,937,691)	8,587,450
Loss for the period	-	-	(2,021,040)	(2,021,040)
<b>Total comprehensive income for the half-year</b>	-	-	<b>(2,021,040)</b>	<b>(2,021,040)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Share based payment expense - options	-	94,792	-	94,792
Reversal of lapsed options	-	(244,365)	244,365	-
	-	(149,573)	244,365	94,792
<b>Balance at 31 December 2018</b>	<b>16,941,392</b>	<b>434,176</b>	<b>(10,714,366)</b>	<b>6,661,202</b>
<b>Balance at 1 July 2019</b>	<b>16,941,392</b>	<b>499,070</b>	<b>(11,524,895)</b>	<b>5,915,567</b>
Loss for the period	-	-	(1,803,324)	(1,803,324)
<b>Total comprehensive income for the half-year</b>	-	-	<b>(1,803,324)</b>	<b>(1,803,324)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issued capital	7(a) 74,573	-	-	74,573
Share based payment expense - options	7(c) -	56,777	-	56,777
Share based payment expense - performance rights	7(b) -	23,625	-	23,625
	74,573	80,402	-	154,975
<b>Balance at 31 December 2019</b>	<b>17,015,965</b>	<b>579,472</b>	<b>(13,328,219)</b>	<b>4,267,218</b>

*The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**Anatara Lifesciences Ltd**  
**Condensed consolidated statement of cash flows**  
**For the half-year 31 December 2019**

<b>Consolidated entity</b>		
	<b>Half-year</b>	
	<b>31 December</b>	31 December
	<b>2019</b>	2018
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	-	669,872
Payments to suppliers and employees (inclusive of GST)	<b>(2,026,845)</b>	(2,426,750)
Interest received	<b>72,480</b>	70,011
Research and development tax incentive and other grants received	<b>847,326</b>	1,560
<b>Net cash outflow from operating activities</b>	<b>(1,107,039)</b>	(1,685,307)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	<b>(3,088)</b>	-
Payments for investment in term deposits	<b>(1,000,000)</b>	(3,000,000)
Proceeds from withdrawal from term deposits	<b>4,550,000</b>	4,732,817
<b>Net cash inflow from investing activities</b>	<b>3,546,912</b>	1,732,817
<b>Net cash (outflow)/inflow from financing activities</b>	<b>-</b>	-
<b>Net increase in cash and cash equivalents</b>	<b>2,439,873</b>	47,510
Cash and cash equivalents at the beginning of the financial year	<b>1,360,077</b>	1,447,732
<b>Cash and cash equivalents at end of the half-year</b>	<b>3,799,950</b>	1,495,242

*The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## **1 Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of Anatara Lifesciences Ltd. The group has identified one reportable segment; that is, the research, development of oral solutions for gastrointestinal diseases and the commercialisation of the Detach diarrhoea treatment for piglets. The segment details are therefore fully reflected in the body of the financial statements.

## **2 Basis of preparation of half-year report**

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2019 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Anatara Lifesciences Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the board of directors on xx February 2020.

### **(a) New and amended standards adopted by the Group**

#### **(i) AASB 16 Leases**

AASB 16 *Leases* became mandatorily effective on 1 January 2019. Accordingly, this standard apply for the first time to this set of interim financial statements.

AASB 16 'Leases' replaces AASB 117 'Leases' along with three Interpretations (Interpretation 4 'Determining whether an Arrangement contains a Lease', Interpretation 115 'Operating Leases-Incentives' and Interpretation 127 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'). The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

The Group has adopted AASB 16 from 1 July 2019. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs).

#### **(ii) Impact of adoption**

During the reporting period, the Group only has operating leases with a remaining lease term less than 12 months. Therefore, the Group has applied the optional exemption to not recognise right-of-use assets and corresponding lease liabilities but to account for the lease expense on a straight-line basis over the remaining lease term.

## **3 Estimates**

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2019.

## 4 Revenue

### (a) Revenue

	<b>Consolidated entity</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Licensing fees	-	23,331
	-	23,331

## 5 Other income and expense items

### (a) Other income

	<b>Consolidated entity</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Research and development tax incentive	417,352	461,730
Other grants	-	1,560
	417,352	463,290

### (b) Breakdown of expenses by nature

	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Accounting and audit	63,494	119,942
Consulting	143,709	224,655
Depreciation	10,395	11,715
Employee benefits	924,072	1,275,997
Insurance	29,306	27,137
Investor relations	92,247	113,182
Legal	20,635	51,118
Listing and share registry	43,399	44,459
Occupancy	49,654	14,320
Share-based payments	78,673	94,792
Superannuation	77,359	108,496
Travel and entertainment	23,422	121,285
Other	71,800	103,653
<b>General and administrative expenses</b>	<b>1,628,165</b>	<b>2,310,751</b>

## 6 Financial assets and financial liabilities

### (a) Trade and other receivables

	31 December 2019			30 June 2019		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Accrued receivables (i)	380,465	-	380,465	848,659	-	848,659
Other receivables	12,711	-	12,711	47,327	-	47,327
	<b>393,176</b>	<b>-</b>	<b>393,176</b>	<b>895,986</b>	<b>-</b>	<b>895,986</b>

(i) Accrued receivables include \$370,507 from the Australian Taxation Office in relation to the R&D tax incentive and \$9,958 interest income from deposits at call.

## 7 Equity

### (a) Share capital

	31 December 2019 No.	30 June 2019 No.	31 December 2019 \$	30 June 2019 \$
Ordinary shares Fully paid	49,752,102	49,413,236	17,015,965	16,941,392

#### (i) Movements in ordinary shares

Details	Number of shares	\$
<b>Balance at 1 July 2019</b>	<b>49,413,236</b>	<b>16,941,392</b>
Exercise of performance rights	338,866	74,573
<b>Balance at 31 December 2019</b>	<b>49,752,102</b>	<b>17,015,965</b>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the group in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

## 7 Equity (continued)

### (b) Performance rights reserve

	31 December 2019 No.	30 June 2019 No.	31 December 2019 \$	30 June 2019 \$
Performance rights	104,075	-	23,625	-
<i>(i) Movements in performance rights</i>				
<b>Details</b>			<b>Number of shares</b>	<b>\$</b>
<b>Opening balance</b>			-	-
Performance rights issued to Executive Management on 23 September 2019 (*)			336,131	76,302
Performance rights issued to Director on 11 November 2019 (**)			106,810	21,896
Exercised of performance rights			(338,866)	(74,573)
<b>Balance at 31 December 2019</b>			<b>104,075</b>	<b>23,625</b>

(\*) Performance rights issued to the Chief Executive Officer, Chief Operating Officer and Chief Development Officer under the Anatara Executive Option Plan issued in lieu of cash bonuses.

(\*\*) Performance rights issued to Director as approved at the Annual General Meeting in November 2019.

### (c) Options reserve

	31 December 2019 No.	30 June 2019 No.	31 December 2019 \$	30 June 2019 \$
Options	2,571,000	2,571,000	555,847	499,070
<i>(i) Movement in options</i>				
			<b>Number of shares</b>	<b>\$</b>
Opening balance 1 July 2018			2,436,000	583,749
Options issued during the period			1,725,000	143,476
Share-based payment expenses of previously issued options			-	58,171
Forfeited/lapsed during the year			(1,590,000)	(286,326)
Balance 30 June 2019			2,571,000	499,070
Share-based payment expenses of previously issued options			-	56,777
Share-based payments expenses of performance rights			-	23,625
Balance 31 December 2019			2,571,000	579,472

## 8 Loss per share

Both the basic and diluted loss per share have been calculated using the profit attributable to shareholders of Anatara as the numerator, i.e. no adjustments to profits were necessary during the six months period to 31 December 2019 and 2018.

The weighted average number of shares for the purposes of the calculation of diluted loss per share has not been adjusted, as share options on issue are antidilutive.

### (a) Basic/diluted loss per share

	<b>Consolidated entity</b>	
	<b>31 December</b>	31 December
	<b>2019</b>	2018
	<b>Cents</b>	Cents
Basic loss per share	<b>(3.64)</b>	(4.09)
Diluted loss per share	<b>(3.64)</b>	(4.09)

### (b) Reconciliation of loss used in calculating loss per share

	<b>Consolidated entity</b>	
	<b>31 December</b>	31 December
	<b>2019</b>	2018
	<b>\$</b>	\$
<i>Basic and diluted loss per share</i>		
Loss attributable to the ordinary equity holders of the Group used in calculating basic loss per share:		
From continuing operations	<u><b>(1,803,324)</b></u>	<u>(2,021,040)</u>

### (c) Weighted average number of shares used as denominator

	<b>Consolidated entity</b>	
	<b>2019</b>	2018
	<b>Number</b>	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	<u><b>49,494,850</b></u>	<u>49,413,236</u>

## 9 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group or economic entity in subsequent financial periods.

In the directors' opinion:

- (a) the financial statements and notes set out on pages 2 to 14 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Anatara Lifesciences Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Ms Sue MacLeman  
Director

Melbourne  
24 February 2020

# Independent Auditor's Review Report

## To the Members of Anantara Lifesciences Ltd

### Report on the half year financial report

#### Conclusion

We have reviewed the accompanying half year financial report of Anantara Lifesciences Ltd and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Anantara Lifesciences does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

#### Directors' Responsibility for the Half Year Financial Report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Anantara Lifesciences Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance

Melbourne, 24<sup>th</sup> February 2020