



Anatara Lifesciences Q4 FY22 Activities Report Highlights for Q4 FY22

- **Anatara Lifesciences makes key management changes in Q4FY22**
- **Revised protocols for Irritable Bowel Syndrome (IBS) and psychological functioning trials successfully implemented with ongoing review of recruitment and enrollment processes**
- **ANR-pf poultry trials with leading national producer progressed throughout the quarter**

MELBOURNE, 1 August 2022: Anatara Lifesciences (ASX: ANR or “the Company”), a developer of evidence-based solutions for gastrointestinal diseases in humans and animals, is pleased to provide a quarterly summary of activities for the quarter ending June 30th 2022 along with the Company’s Appendix 4C cash flow report (as lodged on 29 July 2022; and is reattached).

Key management changes

Anatara had previously advised in ASX releases of the resignation of Mr Steven Lydeamore as CEO effective from 24th June 2022 with Dr. David Brookes to assume the role of executive chair and Mr. John Michailidis joining as COO (Chief Operations Officer) from the 13th of June 2022.

Revised protocols for Irritable Bowel Syndrome (IBS) and psychological functioning trials

Following an extensive review of the “GaRP” (GaRP is the Company’s working name for the Gastrointestinal ReProgramming complementary medicine combining coated components) trial, the Company successfully revised trial protocols to broaden eligibility criteria. In particular, the focus has been on both recruitment and retention into the GaRP trial and ongoing enrolment momentum following the processing of a backlog of potential participants that became eligible with the broadening of criteria by IBS categories. Now the subset of IBS sufferers with “Constipation predominate symptoms” are excluded, compared with the previous criteria of only the “Diarrhoeal predominate” subset included. The Company’s management will update on the outcome of this ongoing review process and any implications on the guidance for trial timelines as soon as possible in the current quarter (Q1 2023FY). Additional measures and sites are also being sought to assist recruitment and participant convenience, with a major Melbourne hospital recently becoming involved in the GaRP trial.

The CSIRO led trial of the effect of Anatara’s “3FDC” (the company’s working name for the subset of the overall GaRP components with a particular coating) on psychological functioning also adopted broader inclusion criteria, as previously announced.

Animal Health Programs

Anatara’s poultry farm trials of ANR-pf (poultry) with a leading producer progressed throughout the quarter. It is anticipated that the Company will be able to update the market on these activities in more detail in this current quarter. As previously advised in ASX announcements, these poultry results may suggest a significant commercial opportunity, or otherwise, if ANR-pf (poultry) delivered in water provides a benefit and has the potential for use in other species. In particular, the pig industry feed and product suppliers have indicated a strong preference for a similar “delivered in water” product rather than Anatara’s BONIFF as a weaner feed, which requires manpower to mix in feeds. The Company is of the view that it is likely to be able to adapt the learning from BONIFF’s development and is encouraged

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by the potential to be a replacement for the Zinc Oxide commercial preparations that are now banned in the EU.

Ongoing corporate initiatives

The Company is actively assessing other opportunities to include new evidence-based solutions aligned with Anataara's vision for improving human gastrointestinal health.

In preparation for the GaRP trial results, Anataara is engaged with global pharma companies interested in expanding their portfolio of complementary medicines. The trial is garnering interest from global leaders in the GI field due to the strong evidence-based design of the GaRP trial.

Summary Q4 FY2022 cashflows

The Company's cash at the end of the quarter was \$1.12 million (31st March 2022: \$1.69 million), which will be bolstered by an anticipated R&D tax incentive of approximately \$500,000 due in September 2022.

Net cash used in operating activities during the quarter was \$0.57 million as compared to \$0.81 million from the previous quarter. This is mainly due to decrease in spending on research and development costs.

Aggregate payments to related parties and their associates during the quarter was \$60,000, which includes directors' fees and superannuation.

Dr David Brookes' remuneration as chair was unchanged in June 2022 and as executive chair increases from 1st July 2022 to \$150k per annum plus superannuation from a base of \$110k plus superannuation.

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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 human and animal 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.

Disclaimer

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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 Jun 2022

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	(126)	(1,043)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(11)	(43)
(d) leased assets	(2)	(9)
(e) staff costs	(329)	(1,229)
(f) administration and corporate costs	(123)	(772)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	736
1.8 Other (provide details if material)	23	130
1.9 Net cash from / (used in) operating activities	(568)	(2,224)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(7)
(d) investments	-	(50)
(e) intellectual property	-	-
(f) other non-current assets	-	-

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	-	3
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	-	(54)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	(6)
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)	(6)	(19)
3.10	Net cash from / (used in) financing activities	(6)	(25)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,694	3,423
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(568)	(2,224)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(54)

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)	(6)	(25)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,120	1,120

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	1,120	1,194
5.2	Call deposits	-	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)	1,120	1,694

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	60
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)	(568)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,120
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,120
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>	2
<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?	
	Answer: N/A	
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?	
	Answer: N/A	
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?	
	Answer: N/A	
<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: 29 July 2022

Authorised by: The Board of Anantara 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.