

Anatara Lifesciences 4C & Q2 FY23 Activities Report

Q1FY23 Highlights

- **Revised protocol for Irritable Bowel Syndrome (IBS) trial of “GaRP” 200 patient trial successfully implemented and enrolment on track for interim read-out of results anticipated to be no later than in Q2CY2023**
- **Capital raise by \$865,000 Placement and completion of Entitlement Offer to existing shareholders with \$524,691 received**
- **Funds will be utilised to reach interim read-out on the GaRP-IBS trial, for future project acquisitions and to strengthen Anatara’s balance sheet**
- **Board changes with appointment Mr. Nicholas Haslam as non-executive director**
- **Closure of “3FDC” psychological functioning trial finalised: no safety concerns**

MELBOURNE, 12 January 2023: 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 December 31st 2022 along with the Company’s Appendix 4C cash flow report.

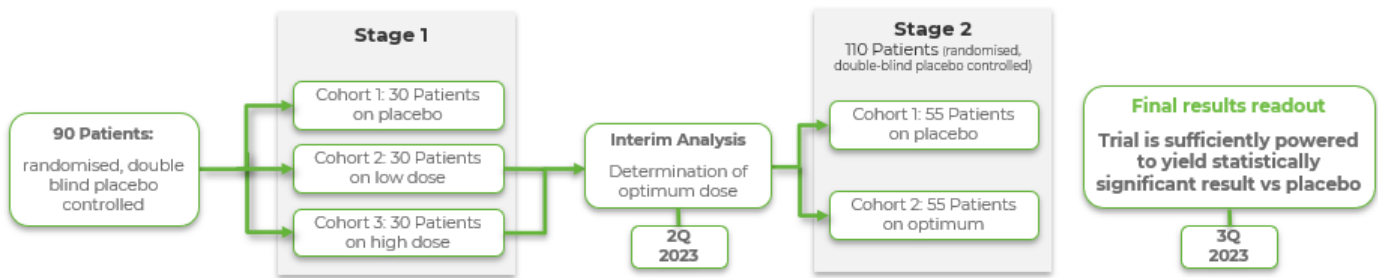
GaRP – Irritable Bowel Syndrome (IBS) - Trial Update

As previously advised, the new broader “GaRP” (Gastrointestinal Re-Programming complementary medicine) trial criteria of IBS (“Irritable Bowel Syndrome”) modified to exclude only the constipation subset and the focus on screen failure inconsistencies that became apparent as the trial progressed has increased interest in participation with both new and some previous participants. The anticipated stronger conversion from interest to enrolment appears to be happening as the Company continues to closely monitor the ongoing momentum of both patient interest and recruitment into trial participation. Apart from the broadening of the GaRP trial criteria, the Company has engaged the Propharma Group to act as the principal research organisation. The current recruitment rate and reinforcement will likely result in the interim analysis becoming available in 2QCY2023 when 90 patients is reached, as previously indicated.

The GaRP IBS trial is powered to deliver results that will validate support claims. If successful, the high prevalence of digestive disorders requiring relief from both symptoms and the disease process, including irritable bowel syndrome (IBS), present a significant market opportunity for Anatara. The commercial opportunity for non-prescription products for gastrointestinal disorders and IBS is US\$8 billion in the US.¹

¹ <https://www.grandviewresearch.com/press-release/global-brain-health-supplements-market>

GaRP-IBS Clinical Trial Design



The review of Company projects resulted in the changes to enhance the GaRP-IBS trial and the finalisation of the trial using the 3FDC components of the overall GaRP complementary medicine formulation looking at potential influences on psychological functioning and well-being. (As announced ASX 3 October 2022 and at AGM 11 November 2022). The GaRP complementary medicine includes a subset of 3 components formulated for release in the lower intestinal tract which have been labelled “3FDC”. The GaRP-IBS trial has as secondary endpoints the Hospital Anxiety and Depression Scale (HADS) and Quality of Life (QOL) assessments. These will allow for preliminary analyses of the influence of the total GaRP components, in participants with gastrointestinal symptoms, on depression and anxiety. This anticipated insight regarding the relationship of anxiety and depressive symptoms with gut disorders (which is in keeping with the general interest in the gut-brain axis) may provide preliminary information about progressing the use of the full GaRP complementary medicine, which includes the 3FDC components, for these indications. The closure of the 3FDC trial was finalised in November 2022.

Ongoing corporate initiatives

In preparation for the GaRP interim trial results, Anantara is engaging 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.

The Company is also actively assessing other opportunities in the healthcare space.

Successful Placement and Entitlement Offer

The Company announced (ASX Release: 21 Oct 2022) it had received firm commitments for approximately \$0.865m in a successful Placement and launched a 1-for-3 Entitlement Offer to raise \$0.832m.

The capital raise will be used to reach interim read-out in the form of a futility analysis on Stage 1 of the GaRP-IBS trial involving 90 participants, with enrolment anticipated to be completed in Q1CY2023 and the analysis no later than Q2CY2023. Funds will also be used for future project acquisitions and to strengthen Anantara’s balance sheet. Taylor Collison Limited acted as Lead Manager and Candour Advisory Pty Ltd acted as Advisor to the Company.

Board changes

As advised in the Annual Report, Ms Sue MacLeman retired as a non-executive director as intended in the Quarter. Mr. Nicholas Haslam was appointed as non-executive director on the 7th of December 2022 (ASX announcement: Board Changes 7 December 2022). Nick is a chartered accountant with ten years of experience in professional services within M&A and restructuring at PwC. Nick is currently the Chief Executive Officer of Plasma Shield Limited, an Australian medical device company. Additionally, Nick held commercial leadership roles within professional sports, which included scaling up KangaTech, a medical device and injury prevention business, with customers spread across Australia, the US and Europe.

Summary Q4 FY2022 cashflows

The Company's cash at the end of the quarter was \$1.35 million (30th June 2022: \$1.12 million).

Net cash used in operating activities during the quarter was \$0.72 million up from \$0.287 million from the previous quarter.

Aggregate payments to related parties and their associates during the quarter \$76,000 which includes directors' fees and superannuation.

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About Anantara Lifesciences Ltd

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

The information in this presentation does not constitute personal investment advice. The presentation is not intended to be comprehensive or provide all information required by investors to make an informed decision on any investment in Anantara Lifesciences Ltd, ACN 145 239 872 (Company). In preparing this presentation, the Company did not take into account the investment objectives, financial situation, and particular needs of any particular investor. Further advice should be obtained from a professional investment adviser before taking any action on any information dealt with in the presentation. Those acting upon any information without advice do so entirely at their own risk. Whilst this presentation is based on information from sources which are considered reliable, no representation or warranty, express or implied, is made or given by or on behalf of the Company, any of its directors, or any other person about the accuracy, completeness or fairness of the information or opinions contained in this presentation. No responsibility or liability is accepted by any of them for that information or those opinions or for any errors, omissions, misstatements (negligent or otherwise) or for any communication written or otherwise, contained or referred to in this presentation. Neither the Company nor any of its directors, officers, employees, advisers, associated persons or subsidiaries are liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying upon any statement in this presentation or any document supplied with this presentation, or by any future communications in connection with those documents and all of those losses and damages are expressly disclaimed. Any opinions expressed reflect the Company's position at the date of this presentation and are subject to change.



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")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(427)	(613)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(14)	(60)
(d) leased assets	(2)	(4)
(e) staff costs	(187)	(439)
(f) administration and corporate costs	(158)	(456)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	25	505
1.8 Other (provide details if material)	42	59
1.9 Net cash from / (used in) operating activities	(720)	(1,007)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(2)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(2)	(2)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,390	1,390
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	(142)	(142)
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)	(12)
3.10	Net cash from / (used in) financing activities	1,242	1,236

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	827	1,120
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(720)	(1,007)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,242	1,236
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,347	1,347

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	1,347	827
5.2	Call deposits	-	-
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)	1,347	827

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	76
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)	(720)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,347
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,347
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: 12 January 2023

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.