

Anatara Lifesciences Ltd

Appendix 4D

Half-year 31 December 2022

Name of entity:
ABN:
Half-year ended:
Previous period:

Anatara Lifesciences Ltd
41 145 239 872
31 December 2022
31 December 2021

Results for announcement to the market

				\$
Revenue from ordinary activities	-	-%	to	-
Net loss after tax (from ordinary activities) for the period attributable to members*	Down	(19.9)%	to	(955,717)
*Decrease in loss				

Net tangible assets per security

	31 December 2022 \$	31 December 2021 \$
Net tangible asset backing (per share)	0.01	0.04

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 (31 December 2021: 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 2022

Anatara Lifesciences Ltd
Corporate directory

Directors	Dr David Brookes <i>Executive Chair</i> Dr Jane Ryan <i>Non-Executive Director</i> Mr Nicholas Haslam <i>Non-Executive Director (appointed 7 December 2022)</i>
Secretary	Mr Stephen Denaro
Principal registered office in Australia	Level 3, 62 Lygon Street Carlton South VIC 3053 Australia +61 (0)3 9824 5454
Share and debenture register	Computershare Investor Services Pty Limited Level 1, 200 Mary Street Brisbane QLD 4000 +61 (0)7 3237 2100
Auditor	Grant Thornton Audit Pty Ltd Collins Square Tower 5, 727 Collins Street Melbourne VIC 3008 +61 (0)3 8320 2222
Solicitors	Thomson Geer Level 16, Waterfront Place 1 Eagle Street Brisbane QLD 4000
Bankers	Commonwealth Bank of Australia Melbourne VIC 3000
Website	www.anataralifesciences.com

Anatara Lifesciences Ltd

ABN 41 145 239 872

Interim report - 31 December 2022

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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 2022. 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:

Dr David Brookes, Executive Chair

Ms Sue MacLeman, Non-Executive Director (resigned 7 December 2022)

Dr Jane Ryan, Non-Executive Director

Mr Nicholas Haslam, Non-Executive Director (appointed 7 December 2022)

Principal activities

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

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 (31 December 2021: \$nil).

Review of operations and financial results

During the first half of financial year 2023, Anatara continued to move closer to commercialising its human health products through its pivotal Phase II clinical trial of GaRP (Gastrointestinal ReProgramming complementary medicine). These patented combinations of coated components provide a significant market opportunity by addressing unmet needs within the high prevalence of digestive disorders requiring relief from both symptoms and the disease process, including irritable bowel syndrome (IBS), as well as contributing to overall well-being by influencing the "gut-brain" axis.

Human Health

An important milestone was achieved in August 2021, when we launched the clinical trial recruitment website to commence the Phase II human trial for the treatment of a sub-type of irritable bowel syndrome (IBS) using our Gastrointestinal ReProgramming (GaRP) complementary medicine. This randomised, double-blind, placebo-controlled trial was intended to be conducted in two stages as a virtual trial, with minimal on-site visits and participants completing assessments online. The trial intended to use up to six sites for the enrolment of approximately 200 participants, with interim reached after 90.

The Company has been pleased that interest in participating in the GaRP-IBS trial has been high, however the screening failure rate has been higher than anticipated due to strict eligibility criteria. To address this, revised eligibility criteria have been approved by ethics committees and implemented from December 2022, enhancing trial participation. Pro Pharma Group were engaged as the principal contracted research organisation (CRO) to coincide with revised eligibility criteria. Additionally, an important new site in Melbourne was approved by the local ethics committee, with recruitment anticipated to commence in the 1QCY2023.

The interim readout for the GaRP trial in IBS has an anticipated timeline of the 2QCY2023, with Stage 1 trial recruitment to be completed in the 2QCY2023.

In November 2022, Anatara announced the finalisation of the closure of the CSIRO trial on the effects of 3FDC dietary subset of GaRP components on psychological functioning in adults. This randomised, double-blinded, placebo-controlled study was undertaken with CSIRO in Adelaide. 3FDC is 3 components of the overall GaRP formulation coated for targeted release predominately into the large intestine. The coated delivery of these 3FDC components to the large intestine is considered important for gut-brain axis balance, in part due to influences on microbiome homeostasis and metabolites. There were no safety concerns with the 3FDC trial.

Review of operations and financial results (continued)

Partnering discussions

During the year, Anatara progressed discussions for GaRP with international consumer health companies. We are highly encouraged by our discussions to date with potential partners. Following the completion of our IBS human trial, we anticipate being in a strong position to progress commercial relationships. There is potential for an earlier agreement if interim results, anticipated in 2QCY2023, indicate a strong trend towards a statistically significant benefit. Given the size of the complementary medicine market for gastrointestinal (GIT) health products that address a spectrum of symptoms and disorders by restoring and maintaining the GIT lining and homeostasis, with limited efficacy, the GaRP product can add substantially to the overall shareholder value with mainstream interest for indications other than IBS, such as Inflammatory Bowel Disease (IBD). Anatara intends to seek licensing agreements and partnerships with established consumer health companies rather than contemplate direct marketing and distribution.

New Evidence-Based Opportunities

Anatara continues to assess other evidence-based opportunities relevant to gastrointestinal health needs. Projects of particular interest are progressing through a due diligence process, which the Company looks forward to announcing the details of, upon successful execution.

Animal Health

During the first half of FY23, we considered all options going forward consistent with feedback that more robust efficacy was needed to justify a commercialisation pathway for the Anatara animal products. We were pleased with the results of the piglet challenge study in August 2021, which suggested that Anatara's product BONIFF could be used as a feed supplement for piglets, being as effective as using zinc oxide (plus commercial additives) and without the associated environmental and antimicrobial resistance concerns. While the focus is on human health, interest in the bromelain-based animal health portfolio will be pursued through consultancy agreements. However, it is apparent that for the Company's technology and know-how in this area to have any real commercial potential, an easy-to-deliver formulation with further efficacy data will be required for poultry or pig production.

In FY21 Anatara successfully completed the poultry challenge trial "Efficacy of ANR-pf on the performance of broilers subject to subclinical and necrotic enteritis challenges". ANR-pf is Anatara's proprietary enriched formulation for poultry in water, designed to allow the full delivery of key additives in a quick and flexible dosing method on-farm even when stock illness is a concern. The study was a randomised, placebo controlled trial. The parameters analysed were bird weight gain (WG), feed intake (FI), feed conversion ratio (FCR), and more complex analysis such as an intestinal lesion score of necrosis and ulceration, and oocyst count in the excreta. There continues to be interest in ANR-pf with evaluation presently being undertaken by potential partners.

Commercial focus

Looking ahead, Anatara is entering an exciting time in the Company's history. Throughout CY2023, the Company is anticipating:

- interim analysis of Stage 1 of the GaRP-IBS trial followed by completion of the recruitment for Stage 2 of the GaRP-IBS trial;
- progress a partnering deal for GaRP;
- expand interest in other indications for the GaRP formulation; and
- acquire and advance new evidenced based opportunities.

Financial position

Despite the delays to the GaRP-IBS trials, we remain in a robust financial position with cash at bank of \$1,346,849 (30 June 2022: \$1,120,204). Our balance sheet provides scope for us to continue the current GaRP-IBS trial and pursue initiatives to partner our human and animal health assets, as well as assess new opportunities.

Review of operations and financial results (continued)

Financial position (continued)

Capital raising took place in the form of a placement and entitlement offer which were undertaken with the Company announcing (ASX Release: 21 Oct 2022) firm commitments for approximately \$0.865m in a successful Placement and the launch of a 1-for-3 Entitlement Offer to raise \$0.832m in October 2022. A follow-up announcement (ASX Release: 24 November 2022) confirmed \$0.524m of commitments were received with a shortfall of \$0.307m that the Company would seek to place with the assistance of the Lead Manager within 3 months.

During the half year to 31 December 2022, the company made significant steps towards progressing its first human gastrointestinal health product, GaRP. Expenditure in furthering this effort resulted in a loss after tax of \$955,717 for the period (31 December 2021: \$1,193,810).

Significant changes in the state of affairs

During the period, there was a total of 24,714,286 new shares and 12,357,163 free-attaching options issued pursuant to Tranche 1 and Tranche 2 of a Placement announced on 21 October 2022. In addition, there was a total of 14,991,156 new shares and 7,495,595 free-attaching options issued to eligible shareholders who subscribed for Entitlement Offer announced on the same date.

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

Events since the end of the financial period

On 27 January 2023, the group has issued 68,871 ordinary shares as a result of exercise of performance rights. Furthermore, 40,000 options have lapsed in January 2023 because the vesting conditions have become incapable of being satisfied subsequent to an employee's resignation.

On 21 February 2023, the group has issued 8,794,051 ordinary shares and 4,397,026 options under the Shortfall Offer pursuant to the entitlement issue prospectus dated 21 October 2022, raising \$307,791 before costs.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected the group's operations, results or state of affairs, or may do so in future 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 6.

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



Dr David Brookes
Executive Chair
Melbourne
24 February 2023

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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 2022, 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 February 2023

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Anatara Lifesciences Ltd
Consolidated statement of profit or loss and other comprehensive income
For the half-year 31 December 2022

		Consolidated entity	
		31 December	31 December
		2022	2021
	Notes	\$	\$
Other income	4(a)	395,928	318,776
General and administrative expenses	4(b)	(879,182)	(1,103,545)
Research and development expenses		(473,609)	(411,288)
Operating loss		(956,863)	(1,196,057)
Finance income		2,494	3,994
Finance expenses		(1,348)	(1,747)
Finance costs - net		1,146	2,247
Loss before income tax		(955,717)	(1,193,810)
Income tax expense		-	-
Loss for the period		(955,717)	(1,193,810)
Other comprehensive income			
Total comprehensive loss for the period		(955,717)	(1,193,810)
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:			
Basic earnings per share	7(a)	(1.21)	(1.68)
Diluted earnings per share	7(a)	(1.21)	(1.68)

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

Anatara Lifesciences Ltd
Consolidated balance sheet
As at 31 December 2022

		Consolidated entity	
		31 December	30 June
		2022	2022
Notes		\$	\$
ASSETS			
Current assets			
		1,346,849	1,120,204
	Cash and cash equivalents*		
5	Trade and other receivables	439,620	508,525
	Deposits at call	50,000	50,000
	Other current assets	64,590	22,011
	Total current assets	1,901,059	1,700,740
Non-current assets			
	Property, plant and equipment	6,023	7,683
	Right-of-use assets	49,142	59,234
	Total non-current assets	55,165	66,917
	Total assets	1,956,224	1,767,657
LIABILITIES			
Current liabilities			
	Trade and other payables	169,110	301,938
	Employee benefit obligations	16,853	35,534
	Lease liabilities	21,478	20,656
	Total current liabilities	207,441	358,128
Non-current liabilities			
	Employee benefit obligations	469	81
	Lease liabilities	34,140	45,145
	Total non-current liabilities	34,609	45,226
	Total liabilities	242,050	403,354
	Net assets	1,714,174	1,364,303
EQUITY			
6	Contributed equity	21,101,342	19,908,471
6	Other reserves	337,235	439,488
	Retained earnings	(19,724,403)	(18,983,656)
	Total equity	1,714,174	1,364,303

* Term deposits with a short maturity period of 90 days or less are included in cash and cash equivalents balance.

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

Anatara Lifesciences Ltd
Consolidated statement of changes in equity
For the half-year 31 December 2022

	Attributable to owners of Anatara Lifesciences Ltd			Total equity \$
	Share capital \$	Share options and performance rights reserve \$	Accumulated losses \$	
Consolidated entity				
Balance at 1 July 2021	19,755,634	678,492	(16,604,008)	3,830,118
Loss for the period	-	-	(1,193,810)	(1,193,810)
Total comprehensive income for the half-year	-	-	(1,193,810)	(1,193,810)
Transactions with owners in their capacity as owners:				
Performance rights exercised	157,837	(157,837)	-	-
Less: Capital raising costs	(5,000)	-	-	(5,000)
Options forfeited	-	(152,638)	152,638	-
Share based payment expense - options	-	17,416	-	17,416
	152,837	(293,059)	152,638	12,416
Balance at 31 December 2021	19,908,471	385,433	(17,645,180)	2,648,724
Balance at 1 July 2022	19,908,471	439,488	(18,983,656)	1,364,303
Loss for the period	-	-	(955,717)	(955,717)
Total comprehensive income for the half-year	-	-	(955,717)	(955,717)
Transactions with owners in their capacity as owners:				
Issued capital	6(a) 1,389,691	-	-	1,389,691
Less: Capital raising costs	6(a) (196,820)	-	-	(196,820)
Share based payment expense - options	6(b) -	98,619	-	98,619
Share based payment expense - performance rights	6(b) -	20,000	-	20,000
Options expired/lapsed	-	(214,970)	214,970	-
Options forfeited	-	(5,902)	-	(5,902)
	1,192,871	(102,253)	214,970	1,305,588
Balance at 31 December 2022	21,101,342	337,235	(19,724,403)	1,714,174

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

Anatara Lifesciences Ltd
Consolidated statement of cash flows
For the half-year 31 December 2022

	Consolidated entity	
	31 December	31 December
	2022	2021
Notes	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(1,513,167)	(1,615,835)
Other income	-	18,720
Interest received	1,479	4,179
Government grants and tax incentives	504,584	736,477
Net cash outflow from operating activities	<u>(1,007,104)</u>	<u>(856,459)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(1,726)	(6,561)
Proceeds from sale of property, plant and equipment	585	-
Net cash outflow from investing activities	<u>(1,141)</u>	<u>(6,561)</u>
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	6(a) 1,389,691	-
Share issue transaction costs	(143,270)	(5,000)
Principal elements of finance lease payments	(11,531)	(6,141)
Net cash inflow/(outflow) from financing activities	<u>1,234,890</u>	<u>(11,141)</u>
Net increase/(decrease) in cash and cash equivalents	226,645	(874,161)
Cash and cash equivalents at the beginning of the financial year	<u>1,120,204</u>	<u>3,432,077</u>
Cash and cash equivalents at end of the half-year	<u>1,346,849</u>	<u>2,557,916</u>

The above 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 Executive Chairman of Anatara Lifesciences Ltd 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 consolidated interim financial report for the half-year reporting period ended 31 December 2022 has 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 2022 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 24 February 2023.

(a) New and amended standards adopted by the Group

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the group incurred a loss of \$955,717 and had operating cash outflows of \$1,007,104 for the reporting period ended 31 December 2022. As at 31 December 2022, the group held cash and cash equivalents of \$1,346,849. As announced on 5 October 2022, the group received an R&D Tax Incentive refund of \$479,984.

In the process of approving the group's internal forecast and business plan for upcoming financial period, the board has considered the cash position of the group within the next 12 months from the date of this report. The group's internal forecast and business plan for the upcoming financial period does not include capital raising as this has not yet been determined, however the group's ability to continue as a going concern is dependent upon the group being successful in accessing additional sources of funding to ensure sufficient cash flow to proceed with research and development projects.

The directors are confident, if necessary, the company could raise additional capital to meet the group's contractual commitments and working capital requirements. Notwithstanding the uncertainty over either of these events occurring, based on the above considerations the board has assessed the resources and opportunities available to the group, and consequently believe that the group will be able to repay its debts as and when they fall due and are of the opinion that the financial statements have been appropriately prepared on a going concern basis.

In the event that these measures are unsuccessful, there would be a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

2 Basis of preparation of half-year report (continued)

(b) Going concern (continued)

The financial report does not include any adjustments related to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

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 2022.

4 Other income and expense items

(a) Other income

	Consolidated entity	
	31 December	31 December
	2022	2021
	\$	\$
Research and development tax incentive (i)	371,328	300,056
Other grants	24,600	-
Others	-	18,720
	395,928	318,776

(i) R&D tax incentive

The group's research and development (R&D) activities are eligible under an Australian government tax incentive for eligible expenditure. Management has assessed these activities and expenditure to determine which are likely to be eligible under the incentive scheme. Amounts are recognised when it has been established that the conditions of the tax incentive have been met and that the expected amount can be reliably measured.

4 Other income and expense items (continued)

(b) Breakdown of expenses by nature

	31 December 2022	31 December 2021
	\$	\$
Accounting and audit	87,000	70,626
Consulting	102,401	136,605
Depreciation	12,893	11,892
Employee benefits	386,438	530,633
Insurance	31,935	31,889
Investor relations	25,899	51,075
Legal	11,286	10,779
Listing and share registry	33,801	43,429
Occupancy	4,446	9,179
Share-based payments	39,166	17,416
Superannuation	43,641	50,283
Travel and entertainment	13,389	3,623
Other	86,887	136,116
General and administrative expenses	879,182	1,103,545

5 Financial assets

(a) Trade and other receivables

	Consolidated entity					
	31 December 2022			30 June 2022		
	Current	Non- current	Total	Current	Non- current	Total
	\$	\$	\$	\$	\$	\$
Accrued receivables (i)	372,343	-	372,343	479,984	-	479,984
Other receivables	67,277	-	67,277	28,541	-	28,541
	439,620	-	439,620	508,525	-	508,525

(i) Accrued receivables include \$371,328 from the Australian Taxation Office in relation to the R&D tax incentive and \$1,015 interest income from deposits at call.

6 Equity

(a) Share capital

	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	No.	No.	\$	\$
Ordinary shares				
Fully paid	111,061,063	71,355,621	21,101,342	19,908,471

6 Equity (continued)

(a) Share capital (continued)

(i) Movements in ordinary shares

Details	Number of shares	\$
Balance at 1 July 2022	71,355,621	19,908,471
Issue at \$0.035 pursuant to Placement - Tranche 1 (2022-10-28)	10,703,343	374,617
Issue at \$0.035 pursuant to Entitlement Offer (2022-11-28)	14,991,156	524,691
Issue at \$0.035 pursuant to Placement - Tranche 2 (2022-12-16)	14,010,943	490,383
Less: Transaction costs arising on share issues	-	(196,820)
Balance at 31 December 2022	111,061,063	21,101,342

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.

(b) Other reserves

The consolidated balance sheet line item 'other reserves' comprises the 'share-based payments reserve'.

(i) Nature and purpose of other reserves

Share-based payments

The share-based payment reserve records items recognised as expenses on valuation of share options and performance rights issued to key management personnel, other employees and eligible contractors.

6 Equity (continued)

(b) Other reserves (continued)

(ii) Movement in options and performance rights

Details	Number of options	Number of performance rights	Total \$
Balance at 1 July 2022	4,877,704	-	439,488
Options expired/lapsed during the period	(1,217,704)	-	(214,970)
Options forfeited during the period	(265,000)	-	(5,902)
Issue of performance rights (2022-08-31) ¹	-	275,483	20,000
Issue of options to external consultants (2022-12-19) ²	3,500,000	-	53,550
Share-based payment expenses of options issued in prior years	-	-	45,069
Balance at 31 December 2022³	6,895,000	275,483	337,235

¹ On 31 August 2022, 275,483 performance rights have been issued to employees, as part of their performance bonus of \$20,000 recognised as expenses in the prior year.

² The issue of 3,500,000 options to external consultants was approved by shareholders at the general meeting held in December 2022.

³ This number of options balance does not include options issued during the period that are not in relation to share based payments.

Fair value of options granted

The value attributed to options issued is an estimate calculated using an appropriate mathematical formula based on an option pricing model. The choice of models and the resultant option value require assumptions to be made in relation to the likelihood and timing of the conversion of the options to shares and the value and volatility of the price of the underlying shares.

Management has assessed the fair value of options determined at grant date, using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

The model inputs for options granted to external consultants during the year ended 31 December 2022 included:

Grant date	Expiry date	Exercise price (\$)	No. of options	Share price at grant date (\$)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option (\$)
2022-12-16	2025-12-11	0.07	3,500,000	0.04	78.00%	0.00%	3.14%	0.0153
			<u>3,500,000</u>					

7 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 2022 and 2021.

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

	Consolidated entity	
	31 December 2022	31 December 2021
	Cents	Cents
Basic loss per share	(1.21)	(1.68)
Diluted loss per share	(1.21)	(1.68)

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

	Consolidated entity	
	31 December 2022	31 December 2021
	\$	\$
Loss attributable to the ordinary equity holders of the Group used in calculating basic loss per share:		
From continuing operations	(955,717)	(1,193,810)

(c) Weighted average number of shares used as denominator

	Consolidated entity	
	2022	2021
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	78,868,520	70,918,780

8 Events occurring after the reporting period

On 27 January 2023, the group has issued 68,871 ordinary shares as a result of exercise of performance rights. Furthermore, 40,000 options have lapsed in January 2023 because the vesting conditions have become incapable of being satisfied subsequent to an employee's resignation.

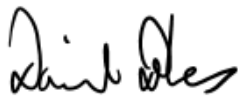
On 21 February 2023, the group has issued 8,794,051 ordinary shares and 4,397,026 options under the Shortfall Offer pursuant to the entitlement issue prospectus dated 21 October 2022, raising \$307,791 before costs.

No other 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 16 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 2022 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that 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.



Dr David Brookes
Executive Chair

Melbourne
24 February 2023

Grant Thornton Audit Pty Ltd

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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 (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, 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, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Anantara Lifesciences Ltd does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Anantara Lifesciences Ltd's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2(b) in the financial report, which indicates that the Group incurred a net loss of \$955,717 and had operating cash outflows of \$1,007,104 during the half year ended 31 December 2022. As stated in Note 2(b), these events or conditions, along with other matters as set forth in Note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 2022 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*.

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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 24 February 2023