

Anatara Lifesciences 4C & Q4 FY23 Activities Report

Q4FY 2023 Highlights

- **Enrolment for Stage I finalised for Irritable Bowel Syndrome (IBS) trial of “GaRP”**
- **Statistical analysis of the first 31 “Intent-to-Treat” (ITT) participants in early June encouraged Anatara to continue with the completion of Stage 1 and consider preparations for Stage 2 of the GaRP-IBS trial**
- **Following the successful implementation of the revised protocol for the GaRP-IBS trial, recruitment for Stage 1 was finalised in June with an expectation of greater than 70 Stage 1 ITT patients by completion**
- **The trial remains within budget with interim analysis of Stage 1 results anticipated in late Q3 CY2023**
- **Cash budgeted to be enhanced by a significant R&D tax refund of over \$0.8m, anticipated in August 2023**
- **Continuation of appraisal of other opportunities for the Company in healthcare**

MELBOURNE, 31 July 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 an update on the Gastrointestinal ReProgramming (GaRP) trial for IBS and general Company update.

GaRP – Irritable Bowel Syndrome (IBS) - Trial Update

The Company is pleased to advise that the trial momentum and progress is consistent with the previous guidance. Enrolment for Stage I was completed in June, with results expected in late September.

Anatara’s GaRP product is a multi-component, coated complementary medicine designed to address underlying factors associated with chronic gastrointestinal conditions such as IBS and IBD. The product is made of GRAS (Generally Regarded As Safe) components and is designed to assist restoration and maintenance of the GIT lining and the homeostasis of the microbiome.

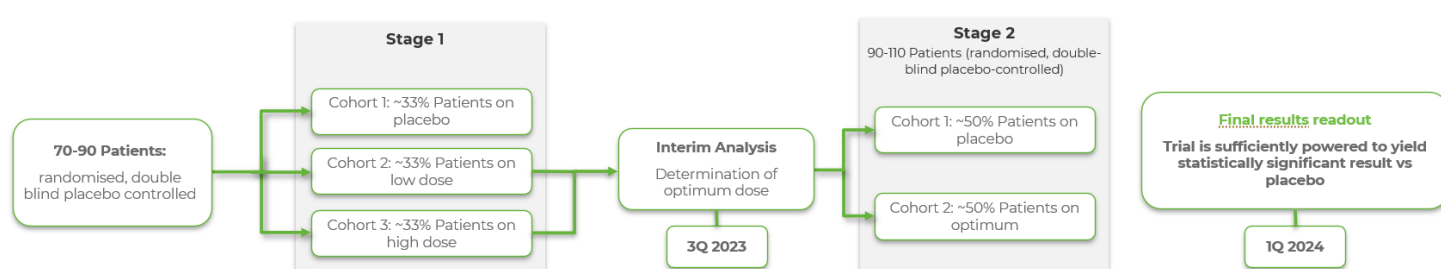
As announced on the 6th June, 2023, a preliminary statistical analysis of the cohort of the initial 31 ITT participants in the GaRP-IBS trial was conducted. The DSMB (Data Safety Monitoring Board) reviewed the preliminary data and pleasingly were satisfied that the continuation of the current trial protocol was supported, while noting the small data set. Importantly, there were no safety concerns across the participant groups.

This feedback encouraged the Company to proceed with the ongoing Stage 1 of the trial and commence planning for Stage 2.

The recruitment was finalised in June with the Intent-to-treat (ITT) pool expected to exceed 70 participants from the more than 2,700 applicants screened for enrolment. The GaRP IBS trial is powered to deliver results that will validate and support claims.

GaRP has been developed as a potential disease-modifying treatment that aims to positively impact a large proportion of the population that suffer from the debilitating symptoms of digestive disorders, including irritable bowel syndrome (IBS). The lack of efficacious digestive treatments amplifies the clear unmet need and the 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

GaRP-IBS Clinical Trial Design



Ongoing corporate initiatives

In preparation for the GaRP interim trial results, Anatara 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 continues to actively assess other opportunities in the human healthcare space and is appraising projects suitable to add to the Company's portfolio. There are also ongoing discussions for potential uses of Anatara's established products and know-how for animal health indications.

Summary Q4 FY2023 cashflows

The Company's cash at the end of the quarter was \$0.351 million (31st March 2023: \$1.173million). The expenditure was slightly higher than anticipated due to trial activities and modifications. The R&D tax rebate application has been filed with a refund in excess of \$800,000 anticipated to be received in the coming month of August.

Net cash used in operating activities during the quarter was \$0.826 million up from \$0.421 million from the previous quarter.

Aggregate payments to related parties and their associates during the quarter totalled \$75,000, which includes directors' fees and superannuation.

For more information please contact:

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

Dr. David Brookes

Chair, Anatara Lifesciences Ltd

+61 (0) 411 712 579

dbrookes@anatara.com**Dirk van Dissel**

Candour Advisory – Investor Relations

+61 (0) 408 326 367

dirk@candouradvisory.com.au**About Anatara Lifesciences Ltd**

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

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Anatara Lifesciences Limited

Registered Office

Level 3, 62 Lygon Street, Carlton South, VIC, 3053, Australia

Administration and R&D

Suite 101, 55 Flemington Rd, North Melbourne, VIC 3051, Australia

Email info@anatara.com | Website anataralifesciences.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Anatara Lifesciences Limited (ASX:ANR)

ABN

41 145 239 872

Quarter ended ("current quarter")

30 June 2023

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	(815)	(1,600)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(37)	(110)
(d) leased assets	-	(4)
(e) staff costs	(120)	(710)
(f) administration and corporate costs	(205)	(806)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	14	17
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	292	797
1.8 Other (provide details if material)	44	161
1.9 Net cash from / (used in) operating activities	(826)	(2,255)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(2)
(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	-	50
	(e) intellectual property	-	-
	(f) other non-current assets	8	8
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	8	6

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,698
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	-	(199)
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)	(5)	(21)
3.10	Net cash from / (used in) financing activities	(5)	1,477

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,173	1,120
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(826)	(2,255)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	8	6

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)	(5)	1,477
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	351	351

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	351	323
5.2	Call deposits		850
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)	351	1,173

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	75
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>		

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		-
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)	(826)
8.2	Cash and cash equivalents at quarter end (item 4.6)	351
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	351
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.43
<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: Yes	
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: R&D tax rebate application submitted in July 2023.	
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: Yes. Significant R&D rebate anticipated in August 2023 and anticipate business development opportunities post-interim analysis September 2023	
<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.

31 July 2023

Date:



Authorised by:
(Name of body or officer authorising release – see note 4)

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.