

ASX Announcement**6 November 2023**

CLEANSING NOTICE - 708AA(10) of the Corporations Act 2001 (Cth)

Anatara Lifesciences Limited (ASX:ANR) ("**Anatara**" or the "**Company**") gives this notice under section 708AA(10) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

On Friday, 3 November 2023, Anatara announced the launch of a A\$1.055 million entitlement offer of new fully paid ordinary shares (**New Shares**) at an offer price of A\$0.022 per New Share (**Entitlement Offer**).

The Entitlement Offer is comprised of a partially underwritten 2 – for – 5 pro rata traditional non-renounceable entitlement offer of New Shares to raise gross proceeds of approximately A\$1.055 million.

An offer booklet will be despatched to eligible shareholders (**Eligible Shareholders**) on Monday, 13 November 2023 (**Offer Booklet**).

The purpose of this notice is to inform shareholders that since its previous notice dated Friday, 3 November 2023 issued under section 708AA(2)(f) of the Corporations Act, it identified that assuming:

- (a) maximum placement to the sub-underwriters of the Entitlement Offer that are Directors (being David Brookes and John Michailidis);
- (b) that David Brookes and John Michailidis take up their entire Entitlement; and
- (c) the Entitlement Offer is only subscribed to the maximum amount committed and the amount underwritten under the Underwriting Agreement,

the maximum total holding of those Directors that have sub-underwritten the Entitlement Offer will be approximately 2.96% for David Brookes (and associates) and 0.62% for John Michailidis.

The Cleansing Notice issued on Friday, 3 November 2023 had indicated this would be 2.2% and 0.45% respectively as the calculation had only been prepared on the basis of the assumption in item (a) (above) and not the assumptions in all of items (a), (b) and (c) (above).

Cleansing Notice – Entitlement Offer

The Company gives notice as required under section 708AA(2)(f) of the Corporations Act as follows:

- 1 the Company will be issuing the New Shares under the Entitlement Offer without disclosure to Eligible Shareholders under Part 6D.2 of the Corporations Act;
- 2 this notice is given under section 708AA(10) of the Corporations Act, updating its previous section 708AA(2)(f) notice dated Friday, 3 November 2023;
- 3 as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) sections 674 and 674A of the Corporations Act;

- 4 as at the date of this notice, there is no "excluded information" as defined in sections 708AA(8) or 708AA(9) of the Corporations Act that has not already been disclosed to investors generally; and
- 5 the potential effect that the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors including the number of New Shares taken up by each Eligible Shareholder. However, the Company notes the following:

Structure of the Entitlement Offer and Underwriting

- (a) The number of New Shares which will be issued under the Entitlement Offer is approximately 48 million New Shares (subject to rounding of fractional entitlements) to raise up to A\$1.055 million, equating to approximately 28.5% of all the issued shares in the Company following completion of the Entitlement Offer.
- (b) The Entitlement Offer will be conducted in one part only as a traditional entitlement offer.
- (c) The Company will offer a shortfall oversubscription facility as part of the Entitlement Offer (**Oversubscription Facility**). The key terms of the Oversubscription Facility will be as follows:
 - A. Eligible Shareholders who take up their entitlement in full (but excluding the Underwriter and Sub-underwriters and those persons in respect of the Company who are described in ASX Listing Rules 10.11.1 to 10.11.5) will be able to apply for additional New Shares in the Company in excess of their entitlement (**Shortfall Application**), subject to the Corporations Act, the ASX Listing Rules and all other applicable laws and regulations; and
 - B. to the extent Shortfall Applications exceed the number of New Shares available under the Oversubscription Facility, the Company will allocate securities in its absolute discretion and will scale back applications in the event of an oversubscription:
 - (I) having regard to the pro-rata entitlements of the applicants; and
 - (II) to ensure compliance with the ASX Listing Rules, the Corporations Act and all other applicable laws.

The Underwriting and sub-underwriting

- (d) The Entitlement Offer is proposed to be underwritten by Taylor Collison Limited (**Underwriter**) up to the Underwritten Amount of A\$359,549. The Underwriter may appoint a number of sub-underwriters (**Sub-underwriters**) to sub-underwrite the Entitlement Offer.
 - (e) The key terms of the underwriting agreement between the Company and the Underwriter in connection with the Entitlement Offer (**Underwriting Agreement**) are set out in the ASX Announcement dated Friday, 3 November 2023. In summary, subject to any termination rights in the Underwriting Agreement:
 - A. entitlements to New Shares for which valid applications are not received before the Entitlement Offer closes will be taken up by the Underwriter; and
 - B. entitlements to New Shares for which valid applications are not received before the Entitlement Offer closes will be issued firstly to any Eligible Shareholders who have applied for additional New Shares under the Oversubscription Facility, and then any remainder will be taken up by the Underwriter;up to the amount of A\$359,549, being the Underwritten Amount pursuant to the terms of the Underwriting Agreement.
- If the Underwriting Agreement is terminated, any sub-underwriting arrangements will also be terminated.
- (f) As at the date of this notice, it is proposed that the following two Directors will sub-underwrite (amongst others) the Entitlement Offer. The holdings of these Directors plus the proposed amount of their sub-underwriting plus their entitlement is as follows:

Proposed sub-underwriter	Registered as holder	Class and number of Shares (as at date of this notice)	Percentage of votes (as at date of this notice)	Entitlement to New Shares	Amount of sub-underwriting	Total number of Shares to be acquired under the sub-underwriting and under entitlement
David Brookes	David Brookes	350,000 Ordinary Shares	0.29%	A\$3,080, being 140,000 New Shares	A\$16,500, being 750,000 New Shares	890,000 New Shares
	David & Elisabeth Brookes attf Dr DL Brookes Personal Superfund	1,242,858 Ordinary Shares	1.04%	A\$10,937.17, being 497,144 New Shares		497,144 New Shares
	David & Elisabeth Brookes attf Dahlbrook Family Trust	571,428 Ordinary Shares	0.48%	A\$5,028.59, being 228,572 New Shares	A\$16,500, being 750,000 New Shares	978,572 New Shares
John Michailidis	John Michailidis ATF Michailidis Family Investment Trust	499,999 ordinary shares	0.42%	A\$4,400, being 200,000 New Shares	A\$5,500, being 250,000 New Shares	450,000 New Shares

- (g) The Company intends to market the Entitlement Offer to existing shareholders to reduce as far as possible the requirement of the Underwriter (and consequently the Sub-underwriters) to underwrite the Entitlement Offer.
- (h) In this regard, the Company considers that the Sub-underwriters' backing of the Company is likely to be seen as a positive, making it more likely that the Company will be able to attract additional take up than would be the case if the Underwriter and Sub-underwriters were not partially underwriting the Entitlement Offer.
- (i) The Company made the decision to enter into the Underwriting Agreement taking into account all other alternatives, including the availability and cost involved in third party underwriting in circumstances where the Directors would not be involved in sub-underwriting.

Impact of the Entitlement Offer and Underwriting on Control of the Company

- (j) **If all Eligible Shareholders take-up their full entitlement** - If all Eligible Shareholders take-up their full entitlement under the Entitlement Offer, they will maintain their existing percentage interest in the total issued share capital of Anatara. In these circumstances, the Entitlement Offer will have no significant effect on control of the Company.
- (k) **If any Eligible Shareholders take-up their full entitlement and participate in the Oversubscription Facility** - If any Eligible Shareholders take-up their full entitlement and participate in the Oversubscription Facility, they may increase their holding in Anatara, but always in accordance with item (n) as detailed below.
- (l) **If an Eligible Shareholder does not take-up their entitlements** - To the extent that an Eligible Shareholder does not take-up their entitlements under the Entitlement Offer, that Eligible Shareholder's percentage holding in Anatara will be diluted by the issue of the New Shares under the Entitlement Offer. The extent of the dilution will depend on which Eligible Shareholders take up their entitlement.

- (m) **Ineligible Shareholders** - The proportional interests of Anantara shareholders who are not Eligible Shareholders will be diluted because such shareholders are not entitled to participate in the Entitlement Offer.
- (n) **20% limitation** - So far as Anantara is aware, no shareholder will, as a result of the Entitlement Offer, increase its voting power from below 20% to above 20% interest and the issue of the New Shares is not expected to have a material effect or consequence of control on Anantara.
- (o) **Underwriting –**
- a. The Entitlement Offer is partially underwritten by the Underwriter to the amount of A\$359,549 pursuant to the terms of the Underwriting Agreement between the Underwriter and Anantara. In the event there is a shortfall under the Entitlement Offer (including under any Oversubscription Facility), the shortfall shares up to this amount will be taken up or allocated by the Underwriter (including under any sub-underwriting arrangements).
 - b. The number of New Shares that will be required to be taken up or allocated by the Underwriter and Sub-underwriters will depend on how many New Shares are taken up under the Entitlement Offer (including under the Oversubscription Facility). The take up or allocation will comply with the requirements detailed in paragraph (n) above. Consequently, the Entitlement Offer is not expected to have a material effect or consequence of control on Anantara.
 - c. Assuming:
 - i. maximum placement to the Sub-underwriters that are Directors;
 - ii. David Brookes and John Michailidis take up their entire Entitlement; and
 - iii. the Entitlement Offer is only subscribed to the maximum amount committed and underwritten under the Underwriting Agreement,

the maximum total holding of those Directors that have sub-underwritten the Entitlement Offer will be approximately 2.96% for David Brookes (and associates) and 0.62% for John Michailidis.

This announcement has been approved by the Board of Anantara Lifesciences Limited.

—ENDS—

For more information please contact:

General inquiries	
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