ASX Release

Anatara Lifesciences 4C & Q3 FY24 Activities Report

Q3 FY2024 Highlights

- **Patients can formally register their interest to enrol in the second stage of Anatara's pivotal GaRP-IBS (Irritable Bowel Syndrome) trial at the 5 sites situated in Melbourne, Sydney and Brisbane following the completion of the Ethics Approval process.**
- **Given the unmet need for an effective treatment for IBS, Anatara anticipates strong interest in the ongoing trial of the effectiveness of the Company's patent protected product, known as "GaRP" (** from the ***Ga***strointestinal ***R***e***P***rogramming project**).**
- **Stage 2 of the GaRP-IBS trial is the planned extension that follows the successful completion of 61 patients in Stage 1 of the Phase II trial which reported greater than a 50% reduction in IBS symptoms and with safety profile confirmed.**
- **Appointment of Dr. Michael West as Chief Scientific Officer (CSO) to strengthen management team and address resources needed for refining product development and manufacturing.**
- **Executive Chairman, Dr. David Brookes was interviewed by the ASX listed company news provider, Small Caps, with the podcast and video available via the links below.**
- **Company anticipates updating the market on the progress of recruitment to Stage 2 of the Phase II IBS Clinical Trial in the next quarter.**
- **Events subsequent to the end of the March Quarter: trading halt for a capital raise announced 29th April 2024**

ADELAIDE, 30 April 2024: Anatara Lifesciences (ASX: ANR or "the Company"), a developer of evidence-based solutions for gastrointestinal diseases in humans and animals, is pleased to provide the March 2024 Quarterly Activities Report including the progress of the Gastrointestinal ReProgramming (GaRP) trial for IBS.

On the 9th of April 2024, the Company reported, following final ethics approval of protocols, that patients can register their interest to enrol in the second stage of Anatara's pivotal GaRP-IBS (Irritable Bowel Syndrome) trial at 5 sites situated in Melbourne, Sydney and Brisbane, Australia.

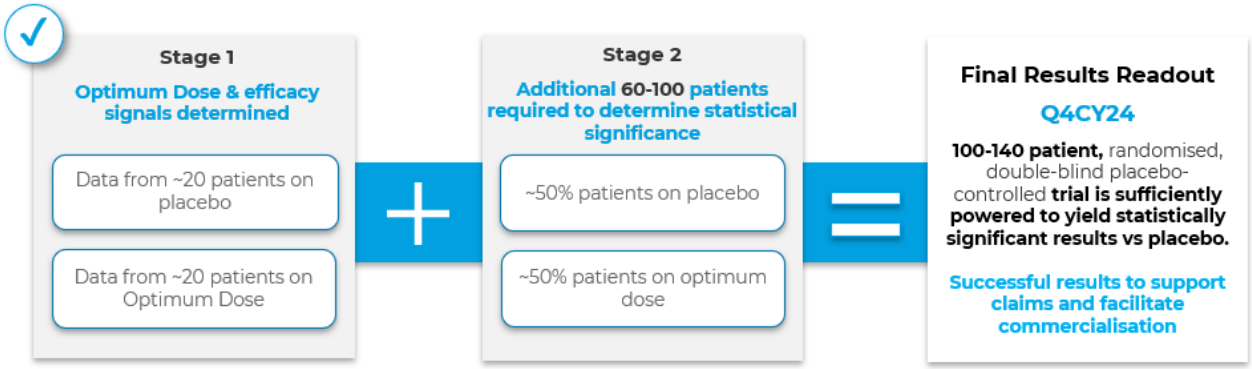
Potential participants can find the closest site to register their interest in Stage 2 of the clinical trial via the Company's website: https://anataralifesciences.com/garp-clinical-trial/

Anatara is pleased to inform shareholders that the Company's and trial partners' initiatives are anticipated to generate strong demand from potential participants. The established protocols modified during Stage 1 (inclusion/exclusion criteria) should enable efficient onboarding of trial participants, facilitating the execution of Stage 2 on time and on budget.

Participants will be randomised equally into two groups to take either the optimum dose of the GaRP product selected from Stage 1 or the placebo. It is expected that each patient will take approximately 3 months to complete the trial, which involves a wash-out period and the patient randomised onto GaRP or placebo for 8 weeks with reporting throughout.

Stage 2 aims to confirm the highly encouraging and clinically meaningful findings from Stage 1 of the GaRP-IBS clinical trial. The data from the 60-100 Stage 2 patients in the randomised, placebo controlled, double blind trial is additional to and to be combined with the data from Stage 1. The ongoing study remains blinded overall and, with the data included from the placebo and optimum dose Stage 1 participants, will have total patient numbers of 100-140. These numbers are expected to ensure the trial is sufficiently powered to deliver statistically significant results versus placebo (in the event of success).

GaRP-IBS Clinical Trial Design



Ongoing corporate initiatives

The results to-date have signalled a promising new era in the quest to alleviate the burdens of IBS and related disorders. Confirmation of these results will provide the desired evidence-based claim to distinguish GaRP as an IBS treatment and a more valuable foundation to engage with global pharma companies interested in expanding their portfolio of complementary medicines. Discussions remain

ongoing with potential partners interested in delivering a new, safe and effective treatment for IBS into a highly unsatisfied market.

Additionally, 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.

Dr. Micheal West was appointed as Chief Scientific Officer (CSO) on permanent part-time basis in March 2024. Dr. West was formally the COO & CSO at Anatara and is a co-inventor of the GaRP product. He is a strong addition to the team and will be pivotal in appraising new opportunities, as well as progressing the manufacturing and registration of GaRP. Anatara is delighted to welcome Dr. West back in the CSO role after maintaining a consultancy relationship to provide the Company with GaRP QA and stability analysis, as well as other services.

Summary Q3 FY2024 cashflows

The Company's cash at the end of the quarter was $0.645 million (31st December 2023: $1.034 million). Net cash outflow from operating activities during the quarter was $0.384 million, compared to a $0.481 million cash outflow from operating activities in the previous quarter.

The aggregate payments to related parties and their associates during the quarter totalled $72,000, which includes directors' fees and superannuation.

Subsequent events

As announced on the 29th April 2024, the Company was placed in a trading halt pending release of a capital raise announcement.

Other Corporate Activities

Executive Chairman, Dr David Brookes was interviewed by the ASX listed company news provider, Small Caps, in March 2024. The interview (video and podcast) can be found via the following links:

Video:

https://www.youtube.com/watch?v=0N9KH5OGP3o

Podcast:

https://smallcaps.com.au/podcast/

About GaRP

Anatara's GaRP product is a multi-component, multi-coated complementary medicine designed to address underlying factors associated with chronic gastrointestinal conditions such as IBS and IBD. GaRP is the working name for the product from the Company's **Ga**strointestinal **R**e**P**rogramming project that was designed to assist restoration and maintenance of the gastrointestinal tract (GIT) lining as a barrier and assist the homeostasis of the microbiome. The product is made of GRAS (Generally Regarded As Safe) components.

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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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Appendix 4C

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

Name of entity	
Anatara Lifesciences Ltd (ASX:ANR)	
ABN	**Quarter ended ("current quarter")**
41 145 239 872	31 March 2024

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(135)	(674)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(50)	(126)
	(d) leased assets	-	-
	(e) staff costs	(150)	(481)
	(f) administration and corporate costs	(88)	(507)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	2	942
1.8	Other (provide details if material)	33	160
1.9	**Net cash from / (used in) operating activities**	**(384)**	**(679)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
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**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,055
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)	(83)
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)	-	-
3.10	**Net cash from / (used in) financing activities**	**(6)**	**972**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,034	351
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(384)	(679)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(6)	978
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**645**	**645**

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	645	1,034
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)**	**645**	**1,034**

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	72
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

Item 6.1 Reflects amounts paid to directors including director's fees, salaries, superannuation, bonuses and consulting fees (excluding reimbursements).

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**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)	(384)
8.2	Cash and cash equivalents at quarter end (item 4.6)	645
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	645
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	1.68

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.

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:	Yes,fully subscribed placement with existing shareholders currently being finalised.
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, ongoing corporate and business development activities including 8.6.2

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.

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: 30/04/2024

Authorised by: By the Board

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