

## ASX Release

### Anatara Investor Presentation

Brisbane, 22<sup>nd</sup> October 2014: Anatara Lifesciences Ltd (ASX: ANR) is pleased to release a copy of the presentation that was delivered to investors prior to listing as part of its pre-initial public offering (IPO) roadshow between August and September 2014.

The presentation highlights Anatara's commercialisation strategy and progress on its lead product, Detach™ for both animals and humans, as well as an overview of the use of funds generated through the IPO.

For further information regarding Anatara and its activities, please contact the persons listed below, or visit the Anatara website at <http://anataralifesciences.com>.

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### About Anatara Lifesciences

Anatara Lifesciences (ASX: ANR) is developing therapeutics for gastrointestinal diseases in production animals and humans. Its lead product Detach™ is a natural, plant based product that will help address global concern about the overuse of antibiotics in production animals that is contributing to the rise of so-called "super bugs" that make infectious diseases harder to treat. The Anatara team has a strong track record in biological science as well as building and growing international biotech companies. For more information visit [www.anataralifesciences.com](http://www.anataralifesciences.com).



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Oral solutions for  
gastrointestinal disease

Detach™ – prevention and  
treatment of diarrhoea

20 October 2014



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# Anatara Investment Overview

- Experienced Board and management team with proven track record
- Lead product, Detach™ has a clear route to market:
  - Commercially validated and proven efficacy
  - Development strategy de-risked and revenues within 2 years
- Product pipeline – animal product leads to human product development for partnering / licencing
- Currently raising capital to progress Detach™ in AU, EU and USA
- Seasoned Operational Team:
  - Regulatory – *Experienced Australia, EU and USA Team*
  - Manufacturing - *TGA and APVMA licensed GMP facility. FDA audited.*
  - Clinical Trials - *Department of Environment and Primary Industries*





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## Antimicrobial resistance is a serious health problem

**Many antibiotics are no longer effective, so bacterial infections are more difficult to treat.**

“23,000 people die every year from antibiotic-resistant infections in US”

The US Center for Disease Control

“Combat drug resistance: no action today means no cure tomorrow.”

World Health Organisation



# Need to combat antimicrobial resistance

- Antimicrobial resistance is a worldwide threat to public health – WHO, CDC
- The spread of bacteria that are resistant to antibiotics -“Super Bugs”- is driven by antibiotic overuse — in man and animals.
- Authorities around the world are now moving to ban growth promoting antibiotics and restrict prophylactic antibiotics in animal production
- Consumers want assurance their meat is safe – antibiotic free







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## Detach™

- Non-antibiotic solution that prevents and treats diarrhoea
- Meets the need to reduce antibiotics in animal production
- Based on a proven product, that improves animal health and farming economics



# Detach™ - poised for swift return

- In 1991 Detach™ gained 40% market penetration (marketed by Ciba Geigy)
- Leverage extensive data available on former product to fast track development of Detach™ through the Australian regulators (APVMA)
- Clear path to market
- Launch planned in Australia for 2016
- Can also be developed for other farm animals, such as calves and chickens, and humans

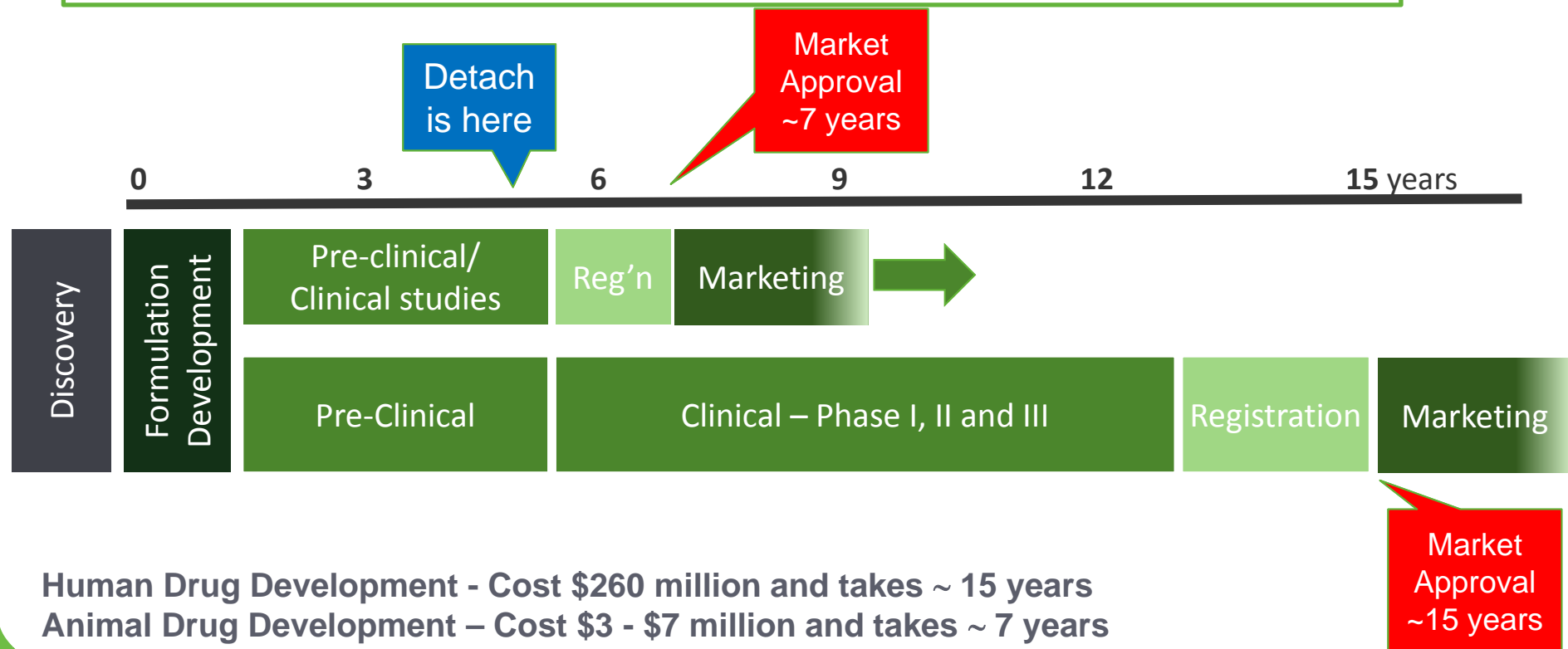


Former product  
(on market in 1990s)



# Human vs Animal: Faster and Cheaper route to Market

On average, it takes 53% more time and is 97.3% more costly to bring human drugs to market, than animal drugs



# Summary of field trials 1988-1991

- ➡ Detach proven to be safe and effective in several thousand piglets.
- ➡ Detach reduced death, improved weight gains and reduced antibiotic use.
- ➡ **Detach increased farmer returns**

Trial Summary	Pre-Weaner	Weaner
Number of Trials	11	8
Number of Piglets	4,752	2,880
Improved Average Daily Weight Gain	12.7%	8.6%
Reduction in Mortality	42.4%	41%
Reduction in Antibiotic Use	67.4%	31%
<b>\$ Benefit/100 Head*</b>	<b>\$526</b>	<b>\$299</b>

*\*CSIRO AUSPIG linear programming analysis  
Lindsay, L. 1991. Milne's Pork Journal. 13:32-33*

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# Detach™ – Effective in New Field Trials - 2012

- New formulation of Detach™ trialled in weaner piglets on a commercial pig farm in Spain (n = 288)
- Detach™ reduced the incidence of post-weaning scour by 40% compared to untreated pigs
- Detach improved average daily weight gains by 22%
- Reduced antibiotic use by 55%
- Detach improved Feed Conversion Ratios (FCR) - **an added commercial benefit**



# Detach™ – Improves FCR in new trials - 2012

- The cost of feed is the major cost to pork production accounting for up to 80% of all production expenses.
- Every improvement in FCR will reduce feed costs and improve profitability.

Field Study	Comparisons	Improvement in FCR (%)
Spain (n=72 pigs/group)	Detach vs ZnO	4.2%
	Detach vs No treatment	2.7%
France (n=89 pigs/group)	Detach vs Colistin	33%
	Detach vs No treatment	7%

- Every 0.1 % improvement in grower FCR can improve the profitability of a 200-sow unit by approximately \$6,000 per annum (Aust Pork Ltd).





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## Science

*Well validated mechanism of action*

*Published in high impact academic journals*

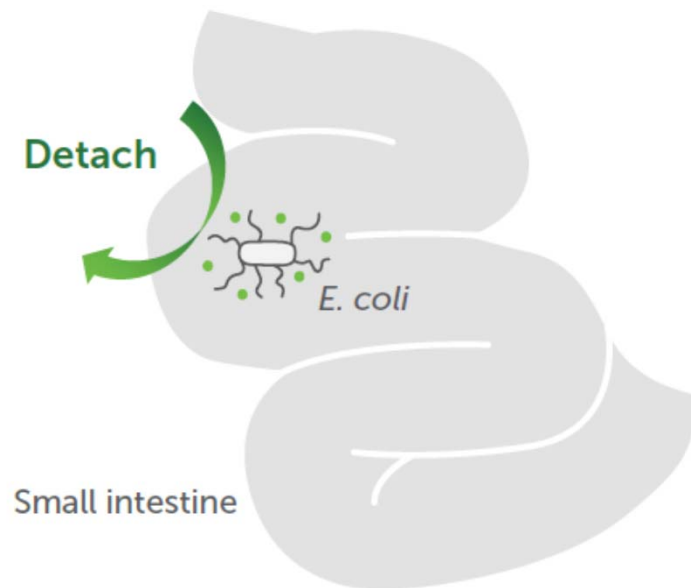
*World class scientific collaborators*



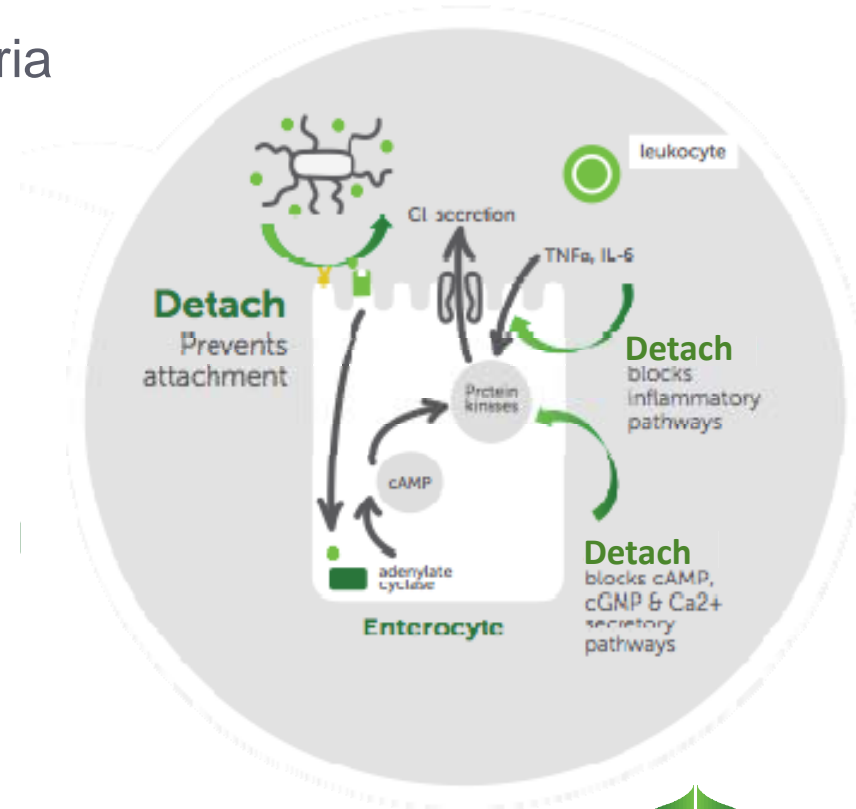
# Detach™ Triple Mechanism of Action = Broad Spectrum Activity

Effective against diarrhoea caused by  
bacteria, viruses and parasites

- ## 1. Prevents attachment of bacteria



2. Blocks toxin action
3. Blocks inflammatory action.





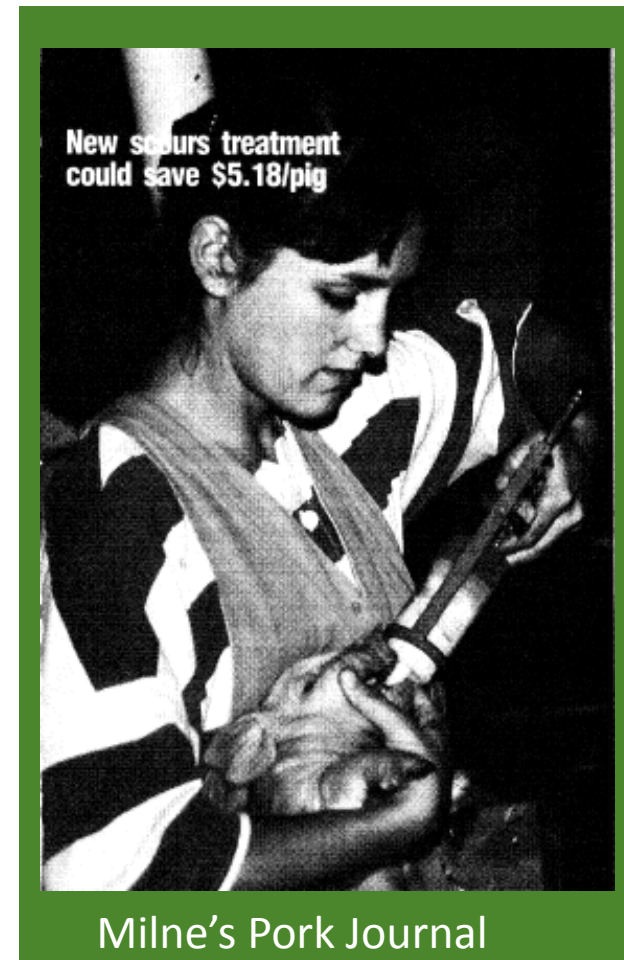
# Intellectual Property

- 1991 – Rights to the original successful product and all data owned by Anatará
- 2012 – Former product re-formulated. Detach™ has reduced cost of goods, and improved convenience for farmers
- 2014 - USA patent filed
- Solid patent strategy in place for further patents to be filed in major territories.



# Detach™ - Key Benefits

- Detach™ is an orally administered, natural, non-antibiotic treatment for diarrhoea
- Detach™ is safe - active ingredient is an extract from pineapple stems
- Detach™ is broad acting – works against bacteria, virus and parasites
- Detach™ improves animal health, weight gains and farm productivity
- Unlike antibiotics, Detach™ will not contribute to antimicrobial resistance





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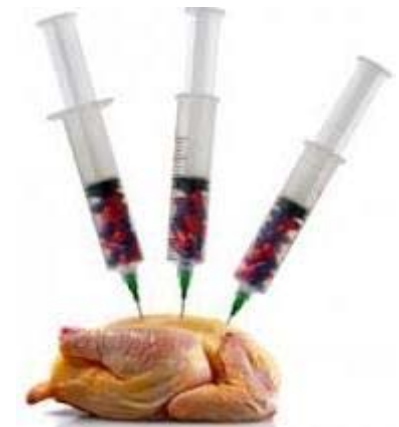
The Pork CRC has  
committed to reduce  
antimicrobial use by 50%  
within 5 years.

*Australian Senate Report, August  
2013.*



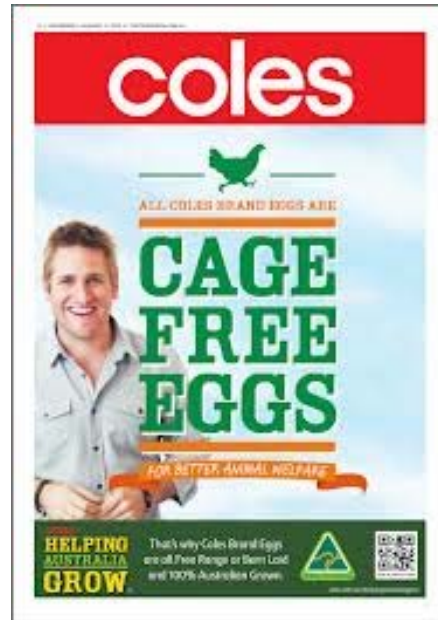
# Significant market opportunity

- Growing awareness of urgent need to address antimicrobial resistance
- Demand for non-antibiotic treatments will rise as authorities act to restrict use of antibiotics in farm animals
- **Hundreds of millions of pigs born every year are affected by diarrhoea**
- Pork is the #1 consumed meat in the world. Demand for meat is increasing.
- Antibiotic market valued at ~ \$3.34 billion (25% pigs) in 2013
- Consumers want assurance their meat is safe – and antibiotic free.



# Consumer Pressure

## - Food Quality & Food Safety



**ConsumerReports<sup>®</sup>**  
**meat on drugs**





# Diarrhoea affects hundreds of millions of pigs born each year





# Commercialisation strategy

## Livestock

- **Market** - Anatara will market Detach™ in Australia directly to pork producers
- **Supply** - Detach™ will be supplied via pre-existing distribution channels
- **Partner** - Co-development and commercialisation partners in discussion for Detach™ in Europe and US; further expansion into Asia
- **Expansion** – Seek Partnerships for future market expansion of Detach™ for calves and chickens





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gastrointestinal disease

Detach™ for Humans

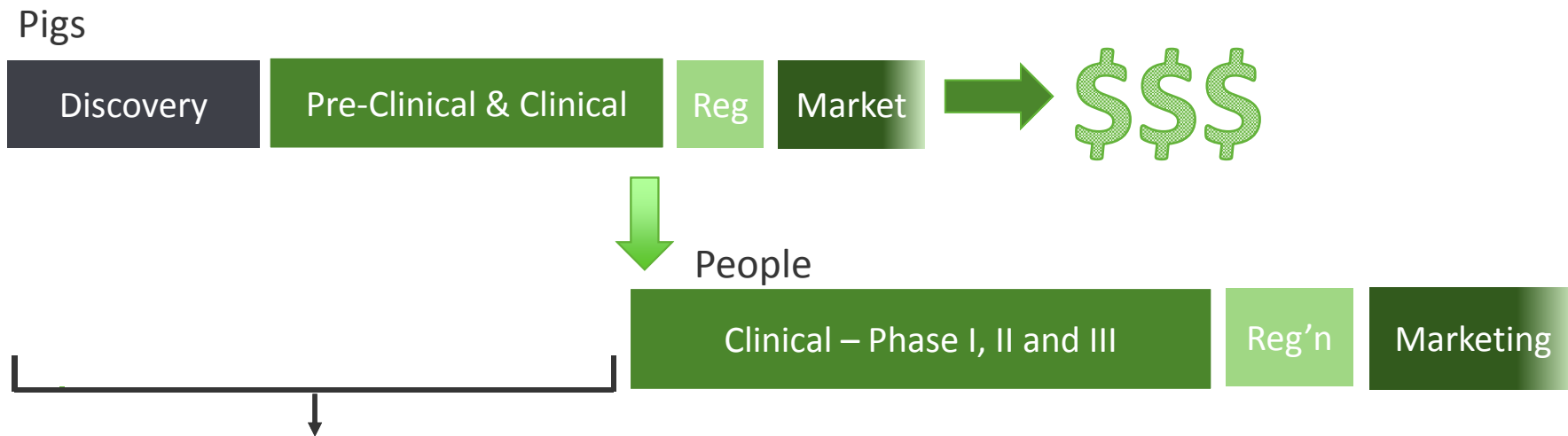


# Detach™ for Humans: overview

- **Unmet Need**
  - Diarrhoea is a major unmet need for travellers, the military and in the developing world.
- **Status**
  - Safe - Detach™ for humans has completed Phase I studies.
  - Pre-clinical efficacy database is very strong due to leverage of Detach™ data from pig studies.



# Oral Solutions for Gastrointestinal Disease: From Animals to Humans



## Detach – From Pigs to People

Pre-clinical complete therefore development de-risked

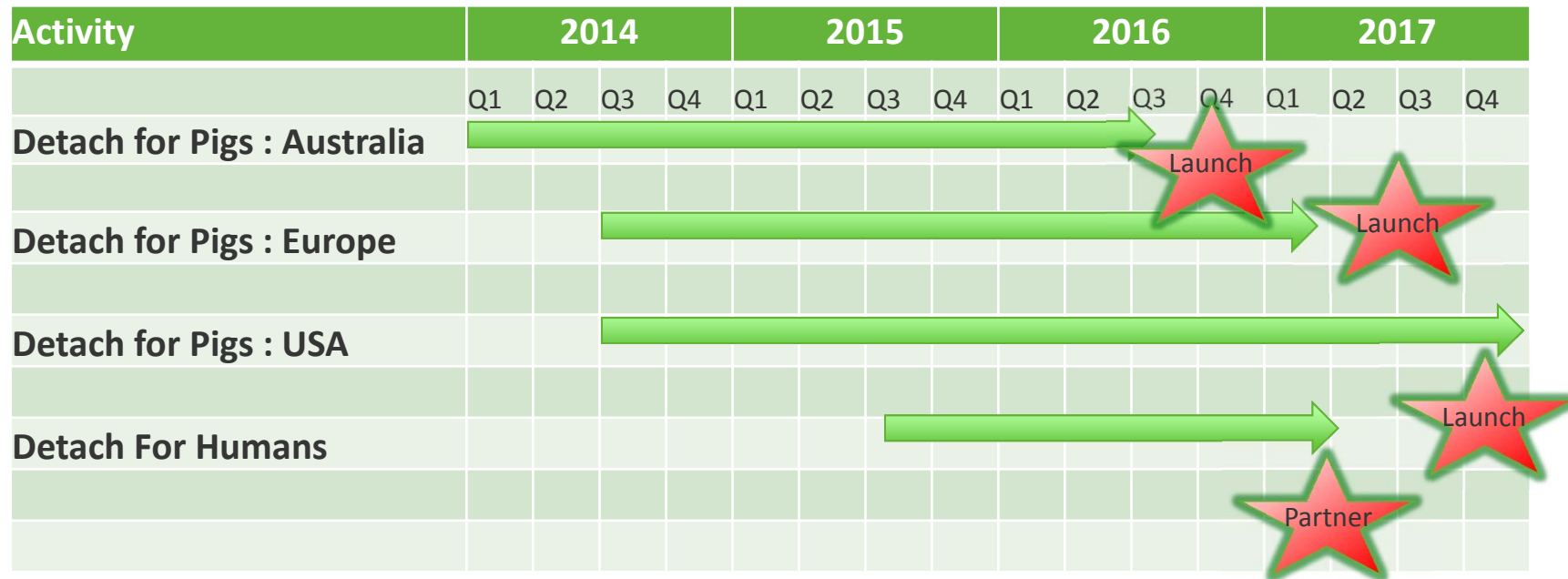
Revenue already secured

Clinic ready (CMC, Toxicology, Pharmacology essentially complete)

Ready to Partner



# Development Milestones



# Use of Funds

## 3 year Operating Costs:

### *Development Program Costs:*

Detach For Pigs – Australia	funded
Detach For Pigs – EU	\$1,055,000
Detach For Pigs - USA	\$730,000
Detach for Humans	\$392,000

### *Corporate:*

Salaries, Board & Administration:	\$3,712,000
Patents	\$300,000
Offer Costs	\$811,000
<b>Grand Total Costs:</b>	<b>\$7,000,000</b>

Excludes income from sales, 43.5% R&D tax, grants  
& partnering





# Capital structure

## Offer Details

Offer Price Per Share	\$0.50
Shares available under the IPO	14,000,000
% of the Company	37.1%
Total Cash Proceeds of the Offer	\$7,000,000

Shares on Issue before the Offer <sup>1</sup>	23,750,000
Total Shares on Issue on Completion of the Offer <sup>2</sup>	37,750,000
Market Capitalisation at the Offer Price	\$18,875,000

1. 13,036,095 shares (34.5% of shares on issue post-IPO) held by directors, other related parties, and persons who have received shares from these parties are subject to escrow for 24 months from the date of Anataras listing on the ASX. A further 8,190,000 shares (21.7% of shares on issue post-IPO) held by other seed investors are subject to escrow until 5 May 2015

2. The Company has implemented an ESOP with capacity to issue up to 5% of the issued share capital as options. As at the date of this presentation, no options or other securities convertible to shares are on issue.



# Indicative timetable

ASX code is ANR

Item	Timetable
Prospectus date	29 <sup>th</sup> August 2014
Offer opens	12 <sup>th</sup> September 2014
Offer closes	3 <sup>rd</sup> October 2014
ASX trading	16 <sup>th</sup> October 2014

All dates and times are subject to change and are indicative only. All times are Australian Eastern Standard Time. The Company, with the consent of the Lead Manager and Underwriter, reserves the right to vary these dates and times without notice. The Company may close the Offer early, withdraw the Offer, or accept late applications



# Board of Directors

## **Dr Melvyn Bridges PhD – Chairman**

*Mel has over 30 years' experience building successful, international life science, diagnostic and medical device companies. Founder, Chairman and Director of ASX, FTSE and NASDAQ companies.*

## **Mr Iain Ross – Director**

*Former senior executive with Sandoz, Hoffmann La Roche and Celltech PLC. Subsequent ~20 years experience of managing international life science and technology company turnarounds. Chartered Director, Director of ASX, FTSE and NASDAQ companies.*

## **Dr Tracie Ramsdale PhD – Director**

*Tracie is one of the founders of Alchemia Limited and has led the company, as general manager and chief executive officer from 1998 to 2007, in addition to serving as a director since mid-2003. Tracie has served with numerous industry and government advisory groups.*

## **Dr Jay Hetzel PhD – Director**

*Jay co-founded Genetic Solutions Pty Ltd to develop genomics technology in livestock (later sold to Pfizer in 2008). Jay has served with numerous industry and government advisory groups.*

## **Dr David Venables – Managing Director**



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# Experienced Management

## **Dr David Venables PhD – CEO & Managing Director**

*Experienced CEO, Director and senior manager of international life science companies, with extensive development and manufacturing experience. Successfully launched new vaccine products and built manufacturing and supply chain operations.*

## **Dr Tracey Mynott PhD – CSO**

*Biomedical scientist with 25 years experience in academia and biotechnology. Experience in drug discovery, development and protection of intellectual property. Formerly Head of Business Development, QIMR and senior manager and Director of ASX listed and private companies.*

## **Mr Alan Dowling Bbus – Group Accountant**

*Experience with private accountancy firms before and with PwC with private and commercial tax. Has owned and managed a number of successful private companies.*

## **Ms Hayley van der Meer B Biomed Sc, Grad Dip Market Management Commercial Manager**

*Experienced in sales and marketing, commercialisation of new technology, technology transfer, intellectual property management and project management. Worked in the medical diagnostics and agricultural biotechnology industries with both Australian ASX-listed and USA companies.*



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# Anatara: 2014 Milestones Achieved

## **Financing**

- Successful seed fund raising (oversubscribed)

## **Manufacture**

- GMP Manufacturing Agreement in place

## **Field Trials**

- Contracts in place for Field Trials

## **Regulatory**

- Regulatory pathway confirmed for Australia, EU and USA
- Successful meeting with Australian Regulators (APVMA)

## **Partnering**

- Company Presentation at BIO
- Partnering discussions held with 8 of the top 10 animal health companies

## **Corporate**

- Name change and re-branding completed
- Advisors appointed: Legal, Auditors, Finance, IR/PR



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# Anatara investment case

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  - Development strategy de-risked and revenues within 2 years
- Product pipeline – animal product leads to human product development for partnering / licencing
- Currently raising capital to progress Detach™ in AU, EU and USA
- Seasoned Operational Team:
  - Regulatory – *Experienced Australia, EU and USA Team*
  - Manufacturing - *TGA and APVMA licensed GMP facility. FDA audited.*
  - Clinical Trials - *Department of Environment and Primary Industries*







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Thank you

*“With the world’s meat production needs set to rise 100% by 2050, it is important we act now to develop non-antibiotic treatment options.”*

*Mel Bridges, Chairman – Anatara Lifesciences*



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# Contact details

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# Competition and Limitations

Description	Example	Limitations
Antibiotics	Ciprofloxacin, Azithromycin, Rifaximin (\$0.31 to \$1.22/pig)	Contributes to AMR/residues Pathogen specific
Antimicrobial	Zinc Oxide (widely used although not approved in Australia) (\$0.34 / pig)	Antimicrobial resistance Environmental issues/residues Reduced palatability Quality control issues Banned in some countries
Vaccines	Autogenous Multivalent Pathogen specific (up to \$3.00 per pig)	Expensive Pathogen specific Prevention only
Non-specific	Low protein diet  Organic acids	Can reduce performance