

ASX Release

Anatara Market Update Presentation – Trial Results Support Strong Partnering Interest

Key points:

- **Market update presentation attached**
- **Strong interest from multi-national companies in partnering**
- **Trial results supports Anatara's plan to register and launch Detach™ in Australia and international markets**
- **Strengthens IP position**
- **Manufacturing scale up in place**
- **Global distribution well advanced**

BRISBANE, 6th October 2015: Anatara Lifesciences (ASX:ANR) is pleased to release its market update presentation. Executives of the company will be presenting to brokers, analysts and institutional investors over the next two weeks on the company's progress and track record in delivering against key milestones.

Anatara has now assembled a strong portfolio of both domestic and international trials supporting the effectiveness of its lead therapeutic compound Detach™.

Chief Executive Dr Paul Schober said: "The results of recent Australian and international trials continue to support our earlier successful field trial results."

"Anatara is now focusing on completing a third and final field trial to support an application to register Detach™ with the Australian Pesticides and Veterinary Medicines Authority (APVMA)," he said. "We are also scaling up our efforts to register Detach™ in Europe and the US."

Chairman, Dr Mel Bridges said, "The level of interest from the top animal health pharma companies in partnering with Anatara in bringing Detach™ to the global market reinforced our belief that the company had a logical solution to a global problem – i.e. a safe solution to anti-microbial resistance and the over-use of antibiotics in livestock."

R&D Director and co-founder, Dr Tracey Mynott said, "Anatara continues to strengthen its intellectual property (patent) portfolio around Detach™ and deliver on its key clinical trials supporting registration globally."

A copy of the market presentation has been released to the market in conjunction with this cover announcement.

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About Anatara Lifesciences

Anatara Lifesciences 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 concerns around 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.



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Oral therapeutics for
gastrointestinal disease

Detach™ – prevention and
treatment of diarrhoea



6 October 2015

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Key Financial Details

ASX Code	ANR
Share Price ¹	\$0.76
Market Cap	\$37.45 million
Ordinary Shares ^{2,3}	49,288,246
Raised at IPO (October 2014)	\$7 million
Placement and SPP (July 2015)	\$9 million
Current Cash ¹	\$13.7 million

1. As at 2nd October 2015

2. 13,036,095 shares 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.

3. 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.





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Detach™

- Natural, non-antibiotic therapeutic that prevents and treats diarrhoea
- Meets the need to reduce antibiotics in animal production
- Unlike antibiotics, Detach™ will not contribute to antimicrobial resistance



Market Opportunity is clear

- Pork is #1 consumed meat in the world. Global demand for meat is rising
- Demand for non-antibiotic treatments continue to rise as authorities restrict use of antibiotics in farm animals
- Consumers want their meat to be safe – and antibiotic free
- Major retailers are demanding antibiotic free produce
- Pork producers need effective alternatives to antibiotics



Need to combat anti-microbial resistance

- Antimicrobial resistance is a worldwide threat to public health
- Tens of thousands of people die every year because of antibiotic resistant bacteria – so called “Super Bugs”
(USA CDC, WHO)
- Antibiotic resistance is driven by antibiotic overuse — in man and animals
- World authorities are banning growth promoting antibiotics and restricting prophylactic antibiotics in animal production
- Without antibiotics it will be more difficult to maintain animal welfare and farm productivity

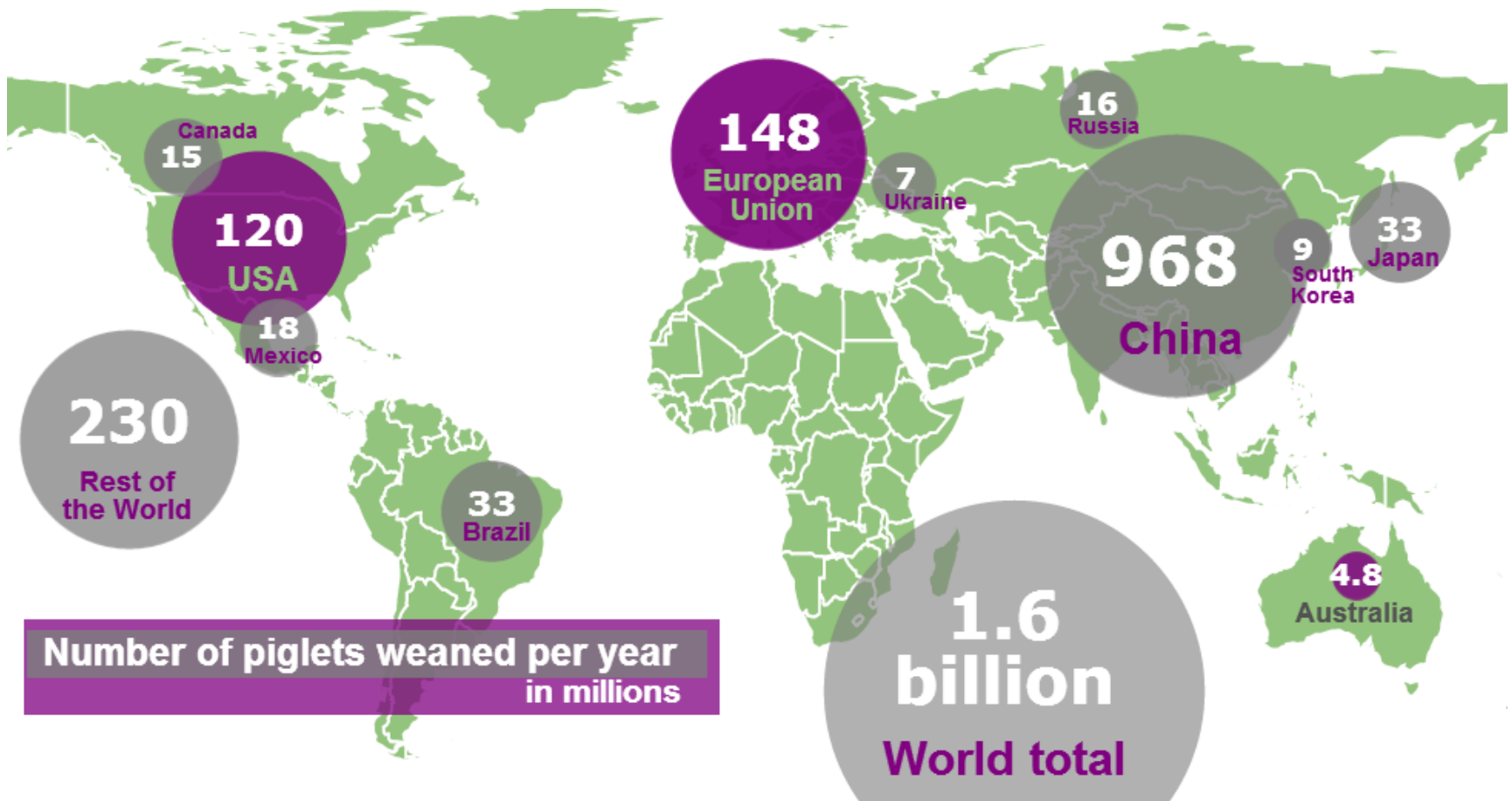


Detach™ - Poised for swift market entry

- Launch planned in Australia for 2016
- Has a clear path to market
 - *Proven efficacy (therapeutic claims)*
 - *Proven safety - active ingredient is GRAS (generally recognised as safe)*
 - *Manufacturing and global supply confirmed*
 - *Regulatory route defined*
- Addresses a major demand – Need for non-antibiotic alternatives
- Introduction of Detach™ is supported by Industry, Government, Retailer & Consumer demand



Diarrhoea affects hundreds of millions of pigs born each year



Consumer Pressure

- Food Quality & Food Safety

- McDonald's the world's largest restaurant chain announced it will stop buying chicken raised on antibiotics used in humans
- Other restaurants/suppliers have followed!!
- This move will have a major impact on how animals are reared and consumer expectations
- Chipotle a large Mexican-restaurant chain in the USA has difficulty supplying antibiotic-free pork to their customers (*April 2015*)



Consumer Pressure - Australia

- Food Quality & Food Safety



ConsumerReports[™]
meat on drugs



Partnering/Deal Flow

- Engaged with Top 12 animal health multi-nationals
- Very strong & genuine level of interest
- Due diligence on Detach™ is underway
- First deal expected by 1st Qtr. 2016
- Australian distribution in place
- Opportunity to move direct into Asian markets under review
- Pork CRC partnership up & running
- Now moving to investigate in-feed applications and other livestock (eg. calves; poultry)
- Actively pursuing human partnering strategy



Operations Update

Manufacture

- Completed GMP manufacture of three commercial scale batches of Detach™
- Stability studies for registration ongoing
- Global market capacity assured

Regulatory

- Appointment of Key EU and USA Regulatory Advisors
- Meeting scheduled for mid-October with EU (CVM) and USA (FDA) regulators
- Data ready for submission to APVMA in Q4 2015/Q1 2016. APVMA review is 9 to 12 months
- SME status received in EU
- Fee Waiver granted in USA



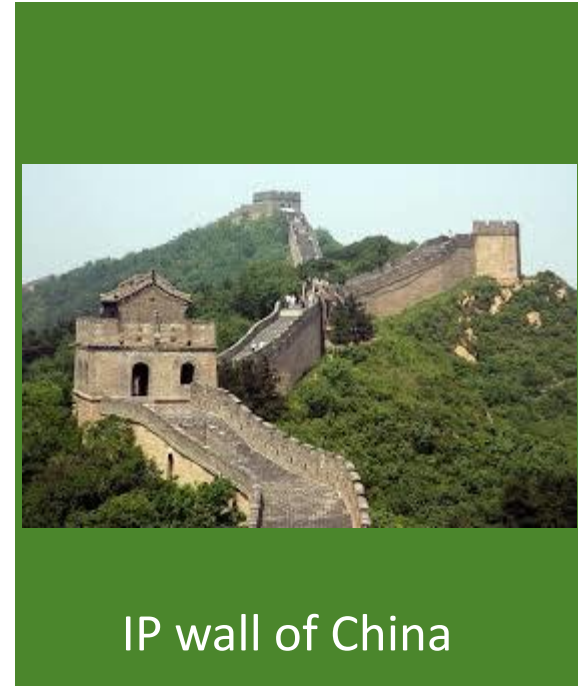
Current 50 kg scale
(≈500,000 doses)



1,000 kg capacity
(≈8,500,000 doses)

Intellectual Property Update

- PCT application filed (August 2015)
- Second USA patent filed (August 2015)
- Solid patent strategy in place for further patents to be filed in major territories
- Claims cover the Detach™ formulation, as well as use of the active ingredient and composition of matter for the active components within Bromelain-Rx
- Bromelain-Rx is not the same as common bromelain
- Detach™ formulation has superior efficacy to bromelain or bromelain-Rx alone



Field Trial Update

Previous Trials

- 21 positive field trials on commercial farms – Detach™ safe and effective in several thousand piglets

Re-registration Trials

- Successful weaner trial in Spain (ANR 12-001)
- Successful sucker trial in Northern Victoria (ANR 14-001)
- Successful weaner trial in South East Queensland (ANR 15-001)
- Successful results in different age groups, in different geographical locations and under different clinical scenarios (mild and severe conditions)
- Final trial – farm selected and in advanced planning (Back up sites under evaluation)

Strengthened Clinical Team

- Appointment of new animal health and industry experts
 - Dr Trish Holyoake, experienced pig veterinarian and scientist
 - New Clinical Trial Advisor
 - New Clinical Research Associate

1st Re-Registration Trial ANR 12-001 Highlights (Spain)

Detach™ reduced scour

- Reduced the incidence of scour by 40% ($p < 0.05$)
- Detach™ reduced injectable antibiotics by 55% ($p < 0.05$)
- A single dose of Detach™ as effective as daily doses of Zinc oxide (ZnO)



Detach™ improved weights

- Improved average daily weight gain by 22% vs control (2 weeks post-weaning, d28 to d42).
- Improved feed conversion ratio vs control and ZnO of 0.04* or 2.7%** (d28 to d70).

**every 0.01 improvement in FCR will reduce feed cost by \$0.28 to \$0.30 per pig.*

***a 0.1 % improvement in grower FCR can improve the profitability of a 200-sow unit by*

≈\$6,000 per annum (<http://www.australianpork.com.au>)

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2nd Re-Registration Trial

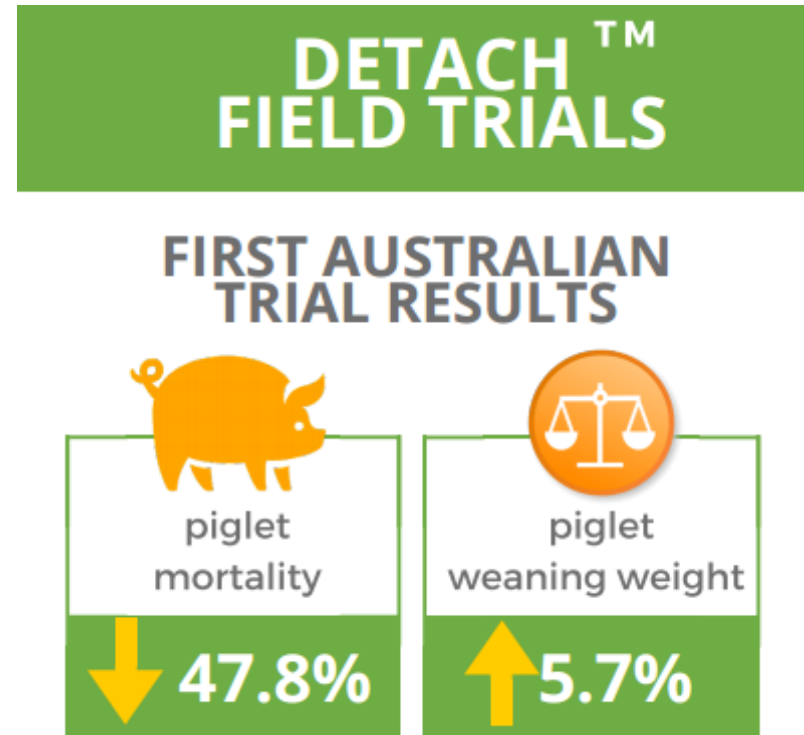
ANR 14-001 Highlights (Northern Victoria)

Detach™ reduced deaths

- High mortality rate on this farm, so a severe test for Detach™
- 20 more piglets weaned in the Detach™ group

Detach™ improved weights

- Detach™ improved weight gain (224 g per pig) despite increased litter size
- Data consistent with earlier field trials on commercial pig farms
 - supports registration



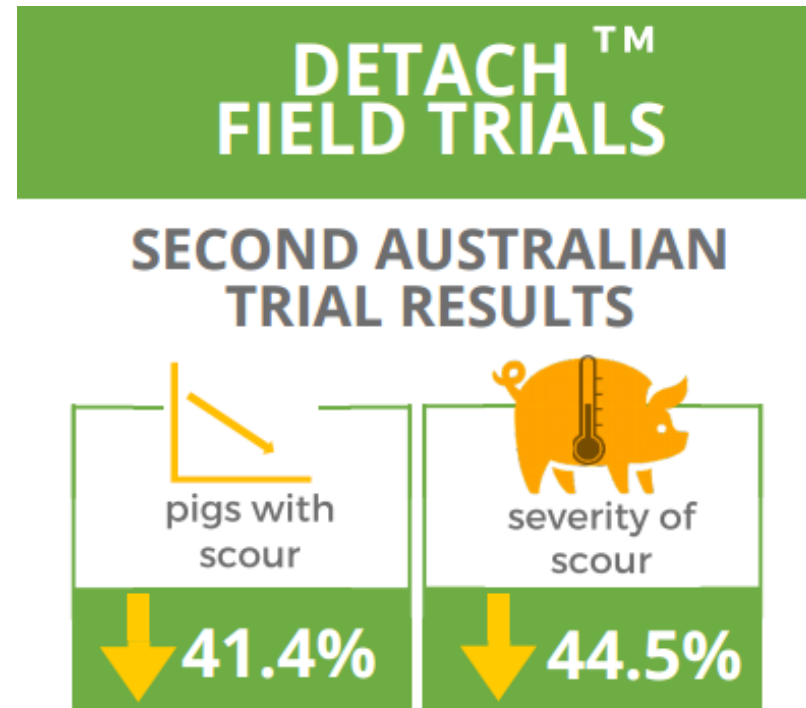
3rd Re-Registration Trial

ANR 15-001 Highlights (SE Queensland)

Detach™ reduced scour

- Detach™ reduced incidence (by 41.4% and severity (by 44.5%) of scour ($p < 0.02$).
- Low incidence of disease on this farm, so a difficult test for Detach™
- Lower than expected weight gains of 1.4%

Data supports re-registration



Detach™ – from farrow to finish

	Dose form	Lead Indication	Competition
Suckers (day 2 after birth to weaning)	Oral drench (2 mL)	Prevent scour (improved ADG ¹)	Antibiotics Sow vaccines Coccidiostats
Weaner (day of weaning)	Oral drench (4 mL)	Prevent scour (improved ADG improved FCR ²)	Antibiotics Zinc Oxide
Actively Investigating			
Weaner	In feed	Prevent scour Improve gut health (improved ADG improved FCR)	Antibiotics Low protein diet Zinc oxide Organic acids Probiotics
Grower - Finisher	In feed	Improve gut health (improved ADG improved FCR)	Antibiotics

¹average daily gain

²feed conversion ratio

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Commercialisation strategy

Global Market Development

- **Australia** – Home Test market, directly to pork producers (15 companies control 85% of the Australia pig industry)
- **Overseas** - Co-development and commercialisation partners in Europe and US; expansion into Asia
- **Expansion** – Partnerships for calves, chickens and humans
 - Humans a major Blue-Sky opportunity for Detach™. Diarrhoea is a major unmet need for travellers, the military and in the developing world

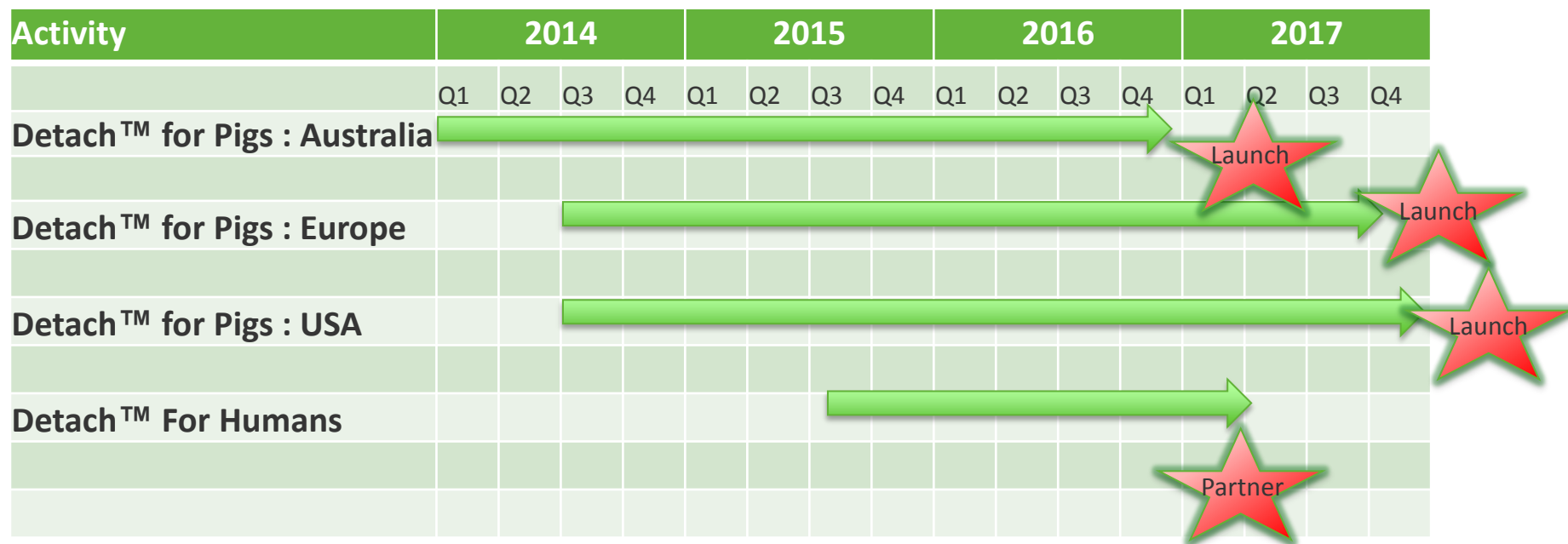


Key News Flow

USA Fee Waiver	Granted
First Field Trial	Complete
Second Field Trial	Complete
Pork CRC Partnership	Complete
New patents filed	Complete
USA INAD Application	Complete
EU and USA Scientific Advice Meeting	Scheduled – mid October
Third Australian (4 th Reg ⁿ) Field Trial starts	Q4 2015
1 st Partnering Deal	Q4 2015/Q1 2016
Submission of APVMA license	Q1 2016
APVMA Approval	Q4 2016
EU Field Trials start	2016
USA Field Trials start	2016
EU License Application	2017
USA License Application	2017



Development Milestones





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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.”

Dr Mel Bridges, Chairman – Anatara Lifesciences

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Board *EXPERIENCE, EXECUTION, REVIEW, BUY-IN*



Dr Mel Bridges
Chairman



Paul A. Grujic
Director



Dr Jay Hetzel
Director



Iain Ross
Director



Dr Tracie Ramsdale
Director



Stephen Denaro
Company Secretary



Management *EXPERIENCE, EXECUTION, REVIEW, BUY-IN*



Dr Paul Schober
Chief Executive Officer



Dr Tracey L. Mynott
Chief Scientific Officer



Damian Wilson
Head of Business Development



Dr Kevin Woodward
Regulatory Advisor



Dr David Venables
Senior Advisor



Hayley van der Meer
Commercial Manager



Detach™ – mechanism of action

Activity

- Not an antibiotic, not an anti-viral, not an anti-parasitic
- Detach™ does not kill bacteria, so will not select for resistance
- Effective against the action of bacteria, protozoa and viruses

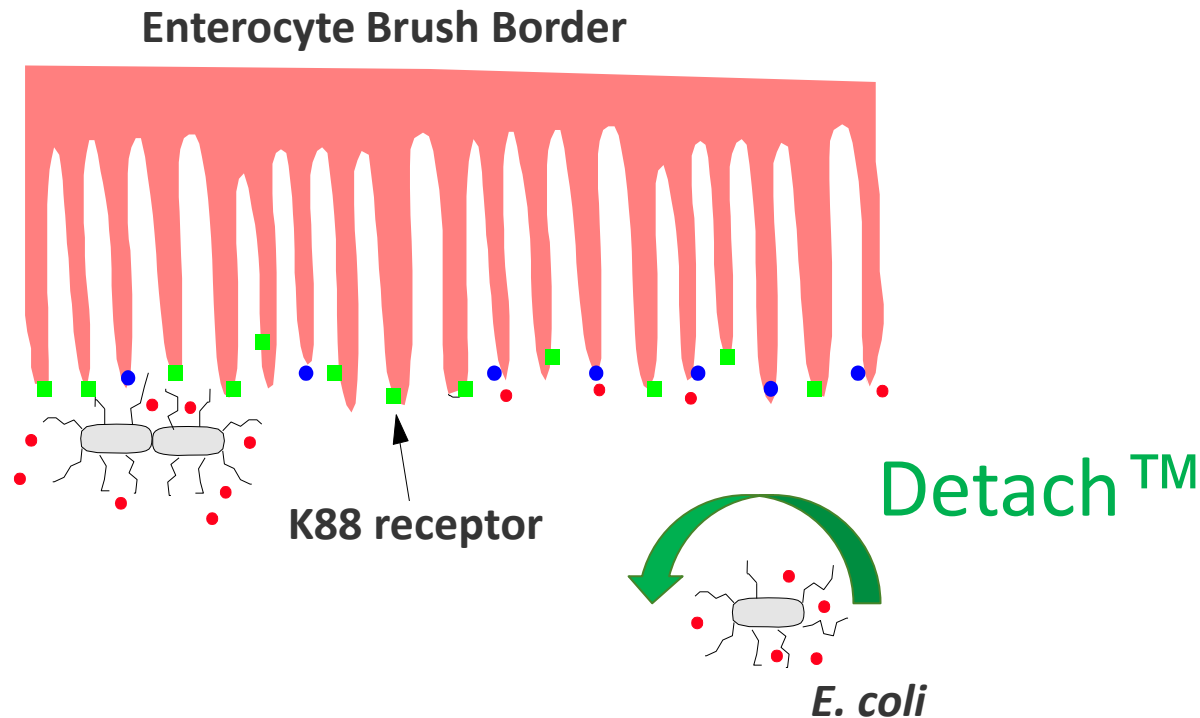
Detach™ acts on the underlying cellular mechanisms of diarrhoea

Novel triple mode of action

1. Temporarily modifies intestinal receptors to prevent *E. coli* from attaching and colonising the intestine
2. Prevents and reverses toxin action and release of fluid into the intestine
3. Prevents action of inflammatory mediators



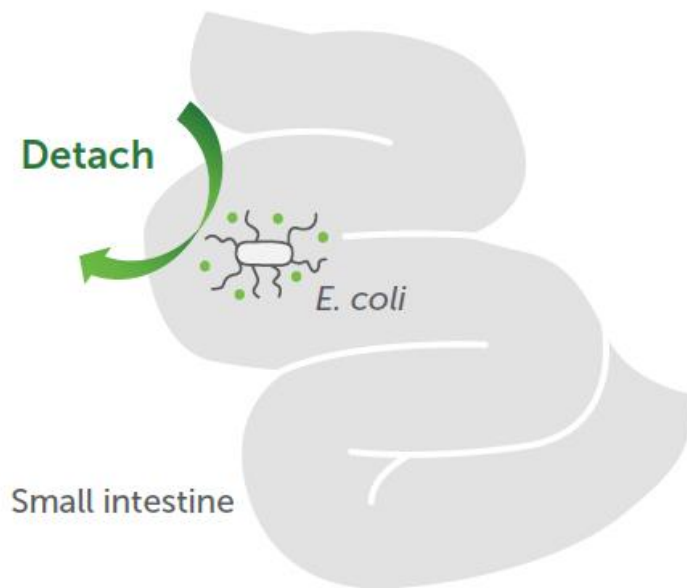
Detach™ temporarily modifies *E. coli* enterocyte receptors
- Bacteria cannot attach, so do not cause disease



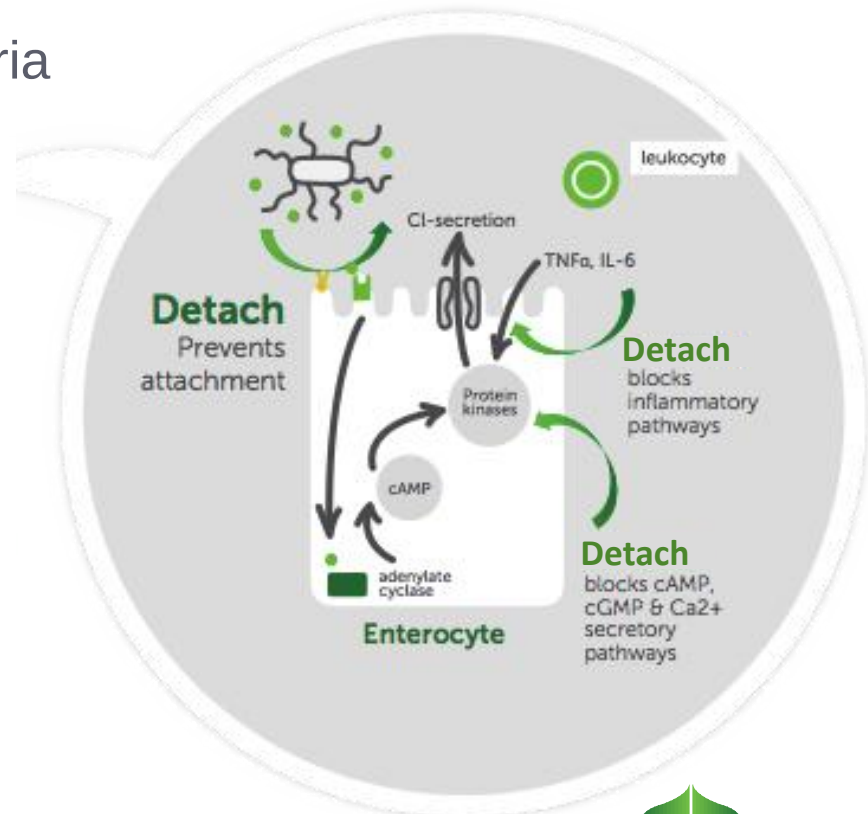
Detach™ Triple Mechanism of Action = Broad Spectrum Activity

Effective against diarrhoea caused by
bacteria, viruses and parasites

1. Prevents attachment of bacteria



2. Blocks toxin action
3. Blocks inflammatory action.



Previous Detach™ Field Trials

– Australia and Spain

- Proven to be safe and effective in several thousand piglets
- Reduced death, improved weight gains and reduced antibiotic use
- Effective against a range of pathogens; K88+ and K99+ E. coli, rotavirus & coccidia

Detach™ trials	Suckers (n = 12 trials)			Weaners (n = 9 trials)		
	Untreated	Detach™	% difference	Untreated	Detach™	% difference
No. piglets	2,414	2,800	-	1,543	1,481	-
ADG* (g/day)	198	220	13.3%	314	335	10.3%
Mortality (%)	8.7	4.0	42.8%	3.1	2.3	41.2%
Antibiotic use /100 pigs	6.7	2.9	67.0%	61.6	28.8	58.7%
FCR** (n=1) (wean to day 14 post weaning)			na	2.91	2.66	8.4%

*average daily gain

**feed conversion ratio

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First Australian Re-registration Field Trial (ANR-14-001)

- 1200 sow farm had a history of problems with pre-weaning scour
- Current approaches such as sow vaccines and antibiotics (neomycin, trimethoprim/sulfadiazine) failed to control the problem
- Trial was blinded, randomised and placebo controlled
 - Group 1 – Detach™, 21 litters (233 piglets)
 - Group 2 – Control, 23 litters (229 piglets)
- Trial designed to meet Australian regulatory requirements (APVMA) and on farms owned by key pork industry opinion leaders



ANR 14-001 – Key Results

Detach™ reduced deaths

- Detach™ reduced deaths by approximately 50% ($p < 0.02$).
 - 92% of Detach™ pigs weaned (or 20 more piglets)
 - 85% of control piglets weaned
- Number of piglets weaned per litter is a KPI for the pork industry
- Each weaned piglet has a value of \$50 to \$80
- High mortality rate on this farm, so a severe test for Detach™

Detach™ improved weights

- Detach™ improved weight gain by 5.7% (or 224 g per pig)
- Detach™ treated group - 118 kg more meat
extrapolated to slaughter = 10×0.75 (carcass weight) = 885 kg
- Data consistent with earlier field trials on commercial pig farms
 - supports registration



ANR 14-001 Results

- Detach™ significantly reduced piglet mortality by 47.8%
- Detach™ reduced severe morbidity, or life threatening disease

Table 1 – Pre-weaning morbidity and mortality

Treatment	No. Pigs	Morbidity Score 4*	No. deaths	% mortality ¹
Detach™	233	28	19	8.2%
Untreated	229	38	36	15.7%

% reduction 47.8%

*Score 4 - pigs with life threatening disease (p=0.20 ns)

¹p<0.02

ANR 14-001 Results

Detach™ increased the average weight of each piglet at Day 21 by 224 g (5.7%)

Table 2 - Weight gains and ADG from Day 2 to Day 21

Treatment	No. Pens	Litter size (Day 21)	Average Weight Gain (g) (min – max)	Average ADG (g/day) (min – max)
Detach	21	10.19	4,188 (2,512 to 5,279)	199 (120 to 251)
Untreated	23	8.48	3,964 (939 to 5,205)	189 (45 – 248)
		% increase	5.7%	5.6%

Second Australian Re-registration Field Trial (ANR-15-001)

- Grower facility had a history of problems with post-weaning disease due to *E. coli*
- Trial was blinded, randomised and placebo controlled
 - Group 1 – Detach™, 20 pens (280 piglets)
 - Group 2 – Control, 20 pens (280 piglets)
- Despite history of disease pre-study, disease incidence dramatically reduced during the study.
- No antibiotic treatments required to treat scour



ANR 15-001 Results

Table 1 – Scour morbidity and mortality

Treatment	No. Pigs	Scour frequency	Scour severity	No. deaths
Detach™	280	89	96	0
Untreated	280	152	173	4

% reduction

41.4%*

44.5%*

*p<0.02

Table 2 - Weight gains and ADG from Day 21 (weaning) to Day 49

Treatment	No. Pens	Pen size	Average Weight Gain (kg) (s.d)	Average ADG (g/day) (min – max)
Detach™	20	14	7.1 (± 0.7)	252.1 (± 25.35)
Untreated	20	14	7.0 (± 0.7)	249.6 (± 26.3)
			1.4%	1%



Competition and Limitations

Description	Example	Limitations
Antibiotics	Azithromycin, Rifaximin Lincospectin or Amoxycillin (\$0.31 to \$3.50/pig)	Contributes to AMR/residues Pathogen specific Multiple dosing
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



Pork CRC – Strategic Partnership



- Pork CRC - a Cooperative Research Centre, with funding by the Australian Government
- The CRC program supports end user driven collaborations to address major challenges facing Australia
- Pork CRC aim to provide and adopt new and novel technologies that reduce feed costs, improve herd feed conversion efficiency and increase the range and functionality of pork products
- **Pork CRC participants are also end users thereby facilitating rapid uptake of new technologies by the industry**



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