

ASX Release

Anatara Appendix 4C

BRISBANE & MELBOURNE, 30th April 2019: Anatara Lifesciences Ltd (ASX:ANR) is pleased to release its Appendix 4C for the quarter ending 31st March 2019. The Company's cash plus term deposits at the end of the quarter stood at \$6.4m, incorporating receipt of the 2017-2018 \$1.249m R&D tax refund which was received on 14th January 2019. On 31st March 2019, the Company had cash at bank of \$1,395,664 and \$5,050,000 in term deposits. Expenditure during the quarter was lower than forecast.

On 7th February 2019, the Company reported positive efficacy data from *in vitro* Proof of Concept (PoC) studies of its Gastrointestinal ReProgramming (GaRP) dietary supplement which has been specifically developed to improve and maintain gastrointestinal health. The data demonstrated a high level of efficacy which was sufficient to compel Anatara to take GaRP into human observational trials in Irritable Bowel Syndrome (IBS) and mouse pre-clinical studies in Inflammatory Bowel Disease (IBD).

Anatara has expanded its Product Development Advisory Board with additional leading gastroenterologists with clinical research experience to assist the Company in developing a protocol for a human clinical study in IBS patients. This study is anticipated to start in the second half of 2019.

The Company continued an active market awareness program during the period. In February 2019, the equity research team at PAC Partners updated its analyst coverage of Anatara, providing a Buy rating and price target of \$1.40/share. In addition, in March 2019, the equity research team at Pitt Street Research updated analyst coverage on the Company, providing a base case valuation of \$1.34/share. Roadshow presentations were delivered to institutional investors in Adelaide, Brisbane, Melbourne and Sydney in March 2019 and Sydney in April 2019. Presentations were also conducted at several retail investor conferences during the period.

During the quarter, Anatara was delighted to announce the appointment of Dr. David Brookes as Non-Executive Director and Chair of the Audit and Risk Committee. Dr. Brookes is a well-respected medical professional with extensive experience in the health and biotechnology industries. The Company was also pleased to advise that the Board of Directors had shortened and concluded the probationary period for Mr. Steven Lydeamore, Chief Executive Officer (CEO), as was outlined in the key terms and conditions of employment announced to the market on 14th November 2018.

Looking ahead, Anatara remains focused on its new business strategy in human health, shifting focus towards building a pipeline of gastrointestinal health products. Our priority lies with progressing GaRP in a human observational study for IBS and completing mouse pre-clinical studies for IBD with a view to partnering in the second half of calendar 2020. Both studies are anticipated to be funded from existing resources.

For more information please contact:

General inquiries	Media inquiries
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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 animal and human health. Following the successful licencing of our first product to leading global animal health company, Zoetis Inc, we are now 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.



Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Anatara Lifesciences Ltd (ASX: ANR)

ABN

41 145 239 872

Quarter ended ("current quarter")

31 March 2019

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	-	670
1.2 Payments for		
(a) research and development	(154)	(588)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(403)	(1,429)
(f) administration and corporate costs	(372)	(1,463)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	71	175
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,266	1,283
1.8 Other	43	150
1.9 Net cash from / (used in) operating activities	451	(1,202)

Consolidated statement of cash flows		Current quarter A'000	Year to date (9 months) A'000
2.	Cash flows from investing activities	-	-
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments (<i>term deposits of greater than 90 days</i>)	(4,050)	(7,050)
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) property, plant and equipment		
	(b) businesses (see item 10)	-	-
	(c) investments (<i>term deposits of greater than 90 days</i>)	3,500	8,200
	(d) intellectual property	-	-
	(e) 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	(550)	1,150

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,495	1,448
4.2	Net cash from / (used in) operating activities (item 1.9 above)	451	(1,202)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(550)	1,150
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,396	1,396

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	1,396	695
5.2	Call deposits (<i>deposits with terms of less than or equal to 90 days</i>)	-	800
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)	1,396 (*)	1,495

(*) As at 31 March 2019, other than the cash and cash equivalents presented above, the Company also had \$5,050,000 (31 December 2018: \$4,500,000) in deposits with terms of greater than 90 days.

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	167
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
-	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	258
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	396
9.6 Administration and corporate costs	388
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,042

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

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.

Sign here:


(Chief Executive Officer)

Date: 30th April 2019

Print name: Steven Lydeamore

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.