

Anatara Life Sciences (ANR)

Solid short term milestones

2 January 2019

Paul Jenz

pjenz@pacpartners.com.au

+613 8633 9864

KEY POINTS

- ANR is much more than “another biotech” promising its \$24m market capital in revenue by FY’23F.
- ANR’s platform gut health product, Bromelain, is permitted for commercial sale in Australia, and partnered globally with Zoetis for pigs, poultry, livestock and horses.
- Zoetis has already paid US\$2.5m milestone payments and set to pay another US\$6.3m over the next five years with 3.5% royalties (PAC est.) on sales from FY’20F.
- We see more than half of ANR’s revenue coming from human applications of Bromelain from FY’22F, and initiation discussions with preferred partner in 2HCY’19.

ANR continues to deliver on its plan

Long term plan is attractive, and puts ANR on watch list

The replacement of antibiotics with natural therapies such as Zoetis/ANR’s bromelain is a significant market with 70bn chickens, 1.5bn piglets and 1.4bn cows. 25% to 50% are farmed intensively and susceptible to diarrhoea. We understand successful animal tests have been carried out across many livestock types, and Zoetis only enters a market if it can obtain a 40% market share. If we assume market share of just 20% for only two markets (piglets and poultry), then ANR’s royalty payments will be ~\$15m per annum.

There are yawning gaps in treatment of human gut disorders such as Inflammatory Bowel Disease (IBD – 5m sufferers), and Irritable Bowel Syndrome (IBS – 840m sufferers). Many of the current treatments are invasive and involve heavy use of antibiotics. Improving diet and exercise along with natural herbal treatments are preferred by many sufferers. Just look at 450bn hits for “gut health” if you use Dr Google.

ANR is set well for solid short term milestones, Buy

During CY’18 ANR signed global licence agreement with Zoetis (May’18), showed it was half way through its human application commercialisation, appointed a globally significant advisory board and appointed proven 25 year commercial drug developer Steve Lydeamore CEO.

2019 is set up for a series of significant milestones including: 1QCY’19 - last year’s APVMA approval for Australian commercial sales to piglets triggering a Zoetis milestone payment; early to mid CY’19 - Efficacy studies released for human application of Bromelain; 2HCY’19 – initiate discussions with preferred partner for human application.

RISKS

- Small scale at start and earnings may be volatile. *Response: \$5m net cash at 30 June 2019*
- Zoetis will not give out regular news updates. *Response: ANR will generate ‘human application’ news*
- Outside of Europe, and possibly China, there is little regulatory push for removal of antibiotics. *Response: McDonalds and KFC are now ahead of USFDA in bans*

RECOMMENDATION

Buy

Previous Recommendation	Buy
Risk Rating	Very High
Current Share Price	\$0.43
12 Month Price Target	\$1.40
Price Target Methodology	50% of DCF
Total Return (Capital + Yield)	225%
DCF Valuation	\$2.80
Market capitalisation	\$24m
Liquidity – Daily Value	\$0.1m

EPS Changes

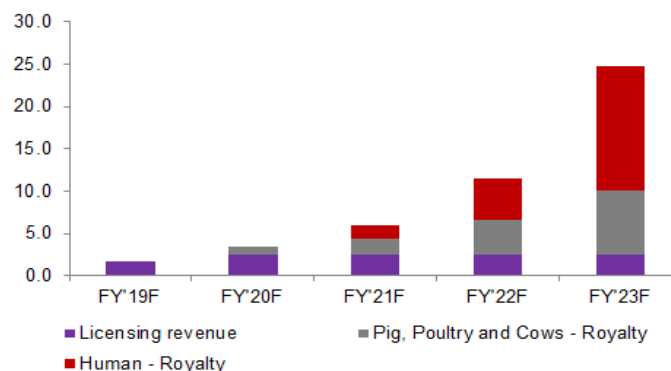
Y/E Jun (\$m)	FY’19F	FY’20F	FY’21F
Previous EPS (cps)	-5.1	-2.4	2.0
Change in EPS (%)	0%	0%	0%

Financial Forecasts & Valuation Metrics

Y/E Jun (\$m)	FY’18A	FY’19F	FY’20F	FY’21F
Revenue	0.0	1.6	3.4	6.0
NPAT	-3.6	-2.6	-1.3	1.0
EPS (cps)	-7.1	-5.1	-2.4	2.0
DPS (c)	0.0	0.0	0.0	0.0
EV / EBITDA (x)	na	na	na	18.3
PER (x)	na	na	na	24.0
Dividend Yield	0.0%	0.0%	0.0%	0.0%
Net Cash	7.7	4.9	3.8	5.1

Source: PAC Partners estimates

Revenue (\$m)



Source: PAC Partners estimates

The information contained in this report is provided by PAC Partners to Wholesale Investors Only.

The information contained in this report is to be read in conjunction with other important disclosures at the end of this document.

Key Information

SUMMARY SWOT

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> 30 years of focused development, led mainly by ANR founder Dr Tracey Mynott and now Dr Tracey Brown (Chief Development Officer) with new Chair, CEO and advisory board. Proven performance at commercial scale in Australia in 1990's with piglets, and now Zoetis global agreement and APVMA approval in Oct'18 Partners & Cash: Strong industry partners (Zoetis #1 animal health, and human gut health advising companies). \$5m cash at 30 June 2019 and plans to partner human application with these funds. 	<ul style="list-style-type: none"> Small scale at start and earnings may be volatile. ANR is dependent on lumpy milestones to grow cash reserves in short term Zoetis will not be giving out regular news updates, so ANR will be reliant on its own news flow from human application Commercial sales of Bromelain human application will take a long time without a partner. ANR has mentioned that significant partners are already in dialogue and assisting the efficacy trial designs
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Intensively farmed piglet and chicken opportunities are significant and consumers/regulators are pushing for a non-antibiotic solution like Zoetis/ANR's Detach®. Yawning gaps in treatment of gut disorders such as Inflammatory Bowel Disease (IBD – 5m sufferers), and Irritable Bowel Syndrome (IBS – 840m sufferers). Other human applications will be targeted after OTC is granted for IBD/IBS. ANR will also develop additional products in future to augment pipeline. 	<ul style="list-style-type: none"> Regulatory approval of Animal Bromelain is not guaranteed outside of Australia although Australian APVMA approval in Oct'18 and extensive use in 1990's are good indications for other approvals Outside of Europe, and possibly China, there is little regulatory push for removal of antibiotics. China may ban antibiotics, USA Australia may follow. (McDonalds and KFC have picked up consumer concerns and are progressively banning antibiotic use in meat production.) ANR is reliant on Zoetis to fast track commercial applications, but has other partners already speaking to them re: Human application.

ANIMAL HEALTH STATISTICS

Number of intensively farmed animals and "natural" Bromelain treatment cost

	In PAC Model			Not in PAC Model			
	Piglets	Poultry	Total	Adult Pigs	Cows	Sheep	Horses
Conservative assumptions include:							
Addressable market is an estimate of intensively farmed animals in Western conditions							
Zoetis aims for 40+% market share and we use 20% in 2025 and then long term growth of 3%							
Prices are similar to other natural medicines							
Middle of 3-4% royalty range ANR suggested							
Total number (bn)	1.5	70.0		0.8	1.4	1.0	0.06
Addressable (%)	50%	50%		25%	25%	15%	15%
Zoetis market share (%)	20%	20%		0%	0%	0%	0%
Price per treatment FY'19F (\$/each/annum)	1.50	0.02		1.50	2.00	0.50	2.50
ANR Royalty (% sales)	3.5%	3.5%		3.5%	3.5%	3.5%	3.5%
2025 Revenue	9.2	4.9	15.1				

Source: UNFAO for animal numbers. Other numbers are PAC Partners estimates

PROVEN PATH FOR NATURAL GUT HEALTH TREATMENT

Bayer's Iberogast **Comment**



Herbal “iberogast” was developed for constipation treatment in 1961, and shot to prominence in 2013 when Bayer bought it for “a multiple” of its Euro60m sales/annum.

We suggest this is not a one-off for the wide range of gut health treatments.

Australian product reviews of Iberogast (www.productreview.com.au) are only ~50 in number. They point to a large 80% positive review but gaps for particular conditions.

Iberogast works on stomach muscles to relax and stimulate for easier food digestion. Bromelain makes the gut wall less sticky which is different action to iberogast.

We believe that Bromelain’s wide application to gut wall ailments, natural product source (stem of pineapple), and 30 years of positive outcomes with animals, will allow ANR to find a significant application to human gut health.

At this start we assume 50% of Irritable Bowell Syndrome (IBS) is addressable and ANR’s partner reaches a 15% market share by 2025.

Source: Bayer

Source: productreview.com.au

ANR’s human application “GaRP” – timetable to partnering (and OTC sales)

	2017 H1	2017 H2	2018 H1	2018 H2	2019 H1	2019 H2	2020 H1	2020 H2
Confirmed GRAS status for components with FDA	✓							
Established collaboration with University of Liverpool (UK)		✓						
Completed product development plan		✓						
Patent Application filed		✓		✓				
Commercial feasibility			✓					
Manufacturing – sourced suppliers		✓						
Proof of concept			→					
Efficacy studies					→			
Partnering discussions			→					→*

Source: ANR bringing science to supplements – December 2018

Anatara Life Sciences

Price \$ 0.430
Number of shares 49 m Market Cap \$21 m

PROFIT & LOSS (\$m)

Y/End June	FY2015A	FY2016A	FY2017A	FY2018A	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
Revenue	0.0	2.3	0.3	0.0	1.7	3.4	6.0	11.5	24.7	35.9	42.0
EBITDA	-1.9	0.3	-2.0	-3.6	-2.9	-1.4	1.0	6.2	19.2	30.2	36.0
Depreciation & Amortisation	0.0	0.0	0.0	0.0	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
EBIT	-1.9	0.3	-2.0	-3.8	-3.1	-1.6	0.8	6.0	19.0	30.0	35.8
Net Interest	0.1	0.4	0.3	0.2	0.5	0.3	0.2	0.2	0.4	1.1	2.4
Income tax expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NPAT underlying	-1.8	0.7	-1.7	-3.6	-2.6	-1.3	1.0	6.3	19.4	31.1	38.2
Equity Accounting Profits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less non-controlling Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NPAT underlying - attributed to shai	-1.8	0.7	-1.7	-3.6	-2.6	-1.3	1.0	6.3	19.4	31.1	38.2
Abnormal items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NPAT Reported	-1.8	0.7	-1.7	-3.6	-2.6	-1.3	1.0	6.3	19.4	31.1	38.2

BALANCE SHEET (\$m)

Y/End June	FY2015A	FY2016A	FY2017A	FY2018A	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
Cash	5.6	13.8	10.9	7.7	4.9	3.8	5.1	11.9	32.7	64.9	103.7
PP&E	0.0	0.0	0.0	0.0	0.2	0.4	0.6	0.8	1.0	1.2	1.4
Debtors & Inventory	0.1	0.1	1.3	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Intangibles	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	0.0	0.1	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8
Total Assets	5.6	13.9	12.3	9.8	7.3	6.5	8.1	15.2	36.2	68.7	107.9
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0.1	0.4	0.2	0.4	0.2	0.3	0.6	1.1	2.5	3.6	4.2
Other Liabilities	0.0	0.0	0.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Total Liabilities	0.1	0.4	0.3	1.2	1.0	1.1	1.4	2.0	3.3	4.4	5.0
NET ASSETS	5.5	13.5	12.0	8.6	6.3	5.3	6.7	13.2	33.0	64.3	102.9
OEI and Pref Shares	-	-	-	-	-	-	-	-	-	-	-
Shareholder Equity	5.5	13.5	12.0	8.6	6.3	5.3	6.7	13.2	33.0	64.3	102.9

Cash Flow (\$Am)

Y/End June	FY2015A	FY2016A	FY2017A	FY2018A	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
Operating EBITDA	(1.9)	0.3	(2.0)	(3.6)	(2.9)	(1.4)	1.0	6.2	19.2	30.2	36.0
Interest & Tax Paid	0.1	0.4	1.6	0.2	0.5	0.3	0.2	0.2	0.4	1.1	2.4
Working Cap.	(0.1)	(1.0)	(2.5)	(1.1)	(0.3)	0.2	0.3	0.5	1.3	1.1	0.6
Operating CF	(2.0)	(0.3)	(2.9)	(4.5)	(2.7)	(0.9)	1.5	7.0	20.9	32.4	39.0
Maintenance Capex	0.0	0.0	(0.0)	(0.0)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Expansion Capex	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free Cashflow (FCF)	(2.0)	(0.3)	(2.9)	(4.5)	(2.9)	(1.1)	1.3	6.8	20.7	32.2	38.8
Ord & Pref Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity raised	6.4	8.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Other	0.1	0.0	0.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Cashflow	4.5	8.2	(2.9)	(3.1)	(2.9)	(1.1)	1.3	6.8	20.7	32.2	38.8

Segment Analysis (\$Am)

Y/End June	FY2015A	FY2016A	FY2017A	FY2018A	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
Revenue											
Pig, Poultry and Cows	0.0	0.0	0.0	0.0	0.0	0.9	1.9	4.1	7.6	11.6	14.1
Human	0.0	0.0	0.0	0.0	0.0	0.0	1.6	4.8	14.5	21.8	26.2
Licensing revenue	0.0	2.3	0.3	0.0	1.7	2.5	2.5	2.5	2.5	2.5	1.8
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	2.3	0.3	0.0	1.7	3.4	6.0	11.5	24.7	35.9	42.0
Gross Margin - all licence revenue											
Pig, Poultry and Cows					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Human							100.0%	100.0%	100.0%	100.0%	100.0%
Licensing revenue					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gross Profit											
Pig, Poultry and Cows	0.0	0.0	0.0	0.0	0.0	0.9	1.9	4.1	7.6	11.6	14.1
Human	0.0	0.0	0.0	0.0	0.0	0.0	1.6	4.8	14.5	21.8	26.2
Licensing revenue	0.0	2.3	0.3	0.0	1.7	2.5	2.5	2.5	2.5	2.5	1.8
Total	0.0	2.3	0.3	0.0	1.7	3.4	6.0	11.5	24.7	35.9	42.0
SG&A	-1.9	-2.0	-2.3	-3.6	-4.5	-4.7	-5.0	-5.2	-5.5	-5.8	-6.1

Anatara Life Sciences

Date: 2-Jan-19
Model Updated: 2-Jan-19

	KEY RATIOS										
Y/End June	FY2015A	FY2016A	FY2017A	FY2018A	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
EBITDA Margin (%)		13.7%	-617.4%	-60514.8%	-173.6%	-40.5%	17.0%	54.4%	77.8%	84.0%	85.6%
NPAT Margin (%)		28.5%	-529.5%	-59483.3%	-157.6%	-37.0%	17.3%	54.6%	78.7%	86.5%	90.9%
ROE (%) y/e			-14.2%	-41.6%	-41.3%	-23.4%	15.5%	47.3%	58.9%	48.3%	37.2%
ROI (%) y/e			-488.5%	-376.4%							
ROIC (%) Av.			-15.7%	-35.7%	-38.0%	-24.4%	12.3%	57.2%	80.1%	60.8%	42.5%
NTA per share (cps)		0.27	0.24	0.17	0.13	0.11	0.14	0.27	0.67	1.30	2.08
NTA per share (cps)		0.27	0.24	0.17	0.13	0.11	0.14	0.27	0.67	1.30	2.08
Eff Tax Rate (%)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Cover (x)		(0.8)	6.7	17.2	6.6	5.0	(3.8)	(27.1)	(44.6)	(26.9)	(14.7)
Net Gearing (%)		-102.6%	-90.3%	-90.2%	-77.7%	-71.4%	-76.6%	-90.1%	-99.1%	-100.8%	-100.8%

	VALUATION PARAMETERS										
Y/End June	FY2015A	FY2016A	FY2017A	FY2018A	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
EPS Adj (cps)		1.3	-3.3	-7.1	-5.0	-2.4	2.0	12.1	37.5	60.0	73.8
PE Adj (x)		32.7	-12.5	-6.1	-8.6	-17.8	21.5	3.6	1.1	0.7	0.6
Enterprise Value (m)		7.4	10.4	13.5	16.4	17.4	16.1	9.3	-11.4	-43.6	-82.4
EV / EBITDA (x)		23.7	-5.2	-3.7	-5.7	-12.8	15.9	1.5	-0.6	-1.4	-2.3
EV / EBIT (x)		24.9	-5.2	-3.6	-5.3	-11.1	19.7	1.5	-0.6	-1.5	-2.3
Price / NTA		1.6	1.8	2.5	3.4	4.0	3.2	1.6	0.6	0.3	0.2
DPS (cps)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Franking (%)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Free Cash / Share (cps)		0.0	-0.06	-0.09	-0.06	-0.02	0.03	0.13	0.40	0.62	0.75
Price / FCF PS (x)		-77.6	-7.6	-4.8	-7.8	-20.7	17.2	3.3	1.1	0.7	0.6

DCF VALUATION & SENSITIVITY

PV of Cashflows 2019 to 2021	(3.5)	Risk Free Rate	4.0%
PV of Cashflows 2021 to 2025	45.4	Equity Risk Premium	8.5%
PV of Term Year Cashflow	95.2	Equity Beta	1.2
Cash from Options & Equity	0.0	Cost of Equity	14.3%
		After Tax WACC	14.3%
Less Net Debt	7.7	Terminal Growth	3.0%
PV of Equity	144.9		
Number of shares (Fully diluted - FY18)	51.8		
PV of Equity per share	\$ 2.80		

DIRECTORS

	Shares (m)
Sue MacLeman	0
Dr Tracie Ramsdale	0
Dr Jane Ryan	0
Prof Peter Gibson	0
Total	0.0

ADVISORY BOARD

	Shares (m)
Prof Peter Gibson	0
Dr Rebecca Burgell	0
Dr Jakob Begun	0
Prof Barry Campbell	0
Prof Simon Kelly	0
Total	0.0

TV WACC

	16.3%	14.3%	12.3%	10.3%
2.0%	\$ 2.14	\$ 2.63	\$ 3.32	\$ 4.38
2.5%	\$ 2.20	\$ 2.71	\$ 3.45	\$ 4.60
3.0%	\$ 2.25	\$ 2.80	\$ 3.59	\$ 4.86
3.5%	\$ 2.31	\$ 2.89	\$ 3.75	\$ 5.15
4.0%	\$ 2.38	\$ 2.99	\$ 3.93	\$ 5.48

LT Growth

MAJOR SHAREHOLDERS

	%	%
Dr Mel Bridges	11.3%	
Thorney	5.6%	
Top 20	35%	

GROWTH PROFILE (YoY)

Y/End June	FY2015A	FY2016A	FY2017A	FY2018A	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
Sales (\$m)			-86%	-98%	27400%	105%	78%	91%	115%	46%	17%
EBITDA inc EAT (\$m)		-116%	-735%	83%	-21%	-52%	-175%	513%	207%	57%	19%
EBIT (\$m)		-115%	-772%	89%	-19%	-49%	-152%	639%	214%	58%	19%
NPAT (\$m)		-136%	-362%	109%	-27%	-52%	-183%	505%	210%	60%	23%
EPS (cps)		-135%	-362%	114%	-29%	-52%	-183%	505%	210%	60%	23%
DPS (cps)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

CONTACT INFORMATION

CORPORATE FINANCE	RESEARCH	DEALING
CRAIG STRANGER Managing Director cstranger@pacpartners.com.au 03 8633 9832	PAUL JENSZ Executive Director, Research pjensz@pacpartners.com.au 03 8633 9864	JAMES WILSON Executive Director, Institutional Sales – Sydney jwilson@pacpartners.com.au 02 9134 9111
SEAN KENNEDY Corporate Finance skennedy@pacpartners.com.au 03 8633 9836	ANDREW SHEARER Senior Analyst ashearer@pacpartners.com.au 03 8633 9862	PHIL CAWOOD Institutional Sales – Sydney pcawood@pacpartners.com.au 02 9134 9122
ANTHONY STANI Corporate Finance astani@pacpartners.com.au 03 9618 8251	MARK YARWOOD Senior Analyst myarwood@pacpartners.com.au 02 9134 9188	MARK PASHLEY Head of Sale Trading – Sydney mpashley@pacpartners.com.au 02 9134 9177
BROOKE PICKEN COO bpicken@pacpartners.com.au 03 8633 9831	ALEX SMITH Analyst asmith@pacpartners.com.au 03 8633 9865	SEBASTIAN JURD Senior advisor – Sydney sjurd@pacpartners.com.au 02 9134 9155
ROGER CHEN Analyst rchen@pacpartners.com.au +852 2544 1408	LAWRENCE GRECH Senior Analyst lgrech@pacpartners.com.au 0404 052 913	RYAN GALE Advisor – Melbourne rgale@pacpartners.com.au 03 8633 9833
		TOM FAIRCHILD Corporate Sales – Melbourne tfairchild@pacpartners.com.au 03 8633 9867
SYDNEY Kyle House, 27 – 31 Macquarie Place, Sydney +61 2 9134 9199		IAN LEETE Corporate Sales – Sydney ileete@pacpartners.com.au 02 9134 9144
MELBOURNE (Head Office) Level 10, 330 Collins Street, Melbourne +61 3 8633 9831		DANIEL GADALLA Operator – Melbourne dgadalla@pacpartners.com.au 03 8633 9834
Hong Kong Upper Ground Floor, 148 Queens Road Central +0011 852 041169 7866		SOL JONES Operator – Sydney sjones@pacpartners.com.au 02 9134 9199

RECOMMENDATION CRITERIA

Investment View

PAC Partners Investment View is based on an absolute 1-year total return equal to capital appreciation plus yield.

A Speculative recommendation is when a company has limited experience from which to derive a fundamental investment view.

Risk Rating

PAC Partners has a four tier Risk Rating System consisting of: Very High, High, Medium and Low. The Risk Rating is a subjective rating based on: Management Track Record, Forecasting Risk, Industry Risk and Financial Risk including cash flow analysis.

Disclosure of Economic Interests

The views expressed in this research report accurately reflect the personal views of about the subject issuer and its securities. No part of the analyst's compensation was, is or will be directly or indirectly related to any recommendation or view expressed in this report.

The following person(s) does hold an economic interest in the securities covered in this report or other securities issued by the subject issuer which may influence this report:

- the author of this report
- a member of the immediate family of the author of this report

Disclaimer

PAC Partners Securities Pty Ltd. ("PAC Partners", "PAC" or "PPS") is a Corporate Authorised Representative of PAC Asset Management Pty Ltd holder of an Australian Financial Services Licence (AFSL No. 335 374).

The information contained in this report is provided by PAC Partners to Wholesale Investors only. Retail investor and third party recipients should not rely, directly or indirectly, on this report. Users of this research report should not act on any content or recommendation without first seeking professional advice. Whilst the report has been prepared with all reasonable care from sources which we believe are reliable, no responsibility or liability is accepted by PAC Partners, for any errors or omissions or misstatements however caused. Any opinions, forecasts or recommendations reflect our judgement and assumptions at the date of publication or broadcast and may change without notice. This report is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. This publication contains general securities advice. In preparing our Content it is not possible to take into consideration the investment objectives, financial situation or particular needs of any individual user. Access of this report does not create a client relationship between PAC Partners and the user. Before making an investment decision on the basis of this advice, you need to consider, with or without the assistance of a securities adviser, whether the advice in this publication is appropriate in light of your particular investment needs, objectives and financial situation. PAC and its associates within the meaning of the Corporations Act may hold securities in the companies referred to in this publication. PAC believes that the advice and information herein is accurate and reliable, but no warranties of accuracy, reliability or completeness are given (except insofar as liability under any statute cannot be excluded). No responsibility for any errors or omissions or any negligence is accepted by PAC or any of its directors, employees or agents. Any content is not for public circulation or reproduction, whether in whole or in part and is not to be disclosed to any person other than the intended user, without the prior written consent of PAC Partners.

Disclosure of Corporate Involvement

Recipients of PAC Partners Research Reports should carefully consider the Disclaimers and Disclosures made below. In particular, regard should be had for any disclosure by PAC Partners, where it has provided corporate finance services to the company, which is the subject of the Research Report.

PAC Partners has in the previous 12 months provide research services for Anatara Lifesciences and received fees on commercial terms for its services. PAC Partners does not own securities of the Company described in this report. PAC Partners associates may own securities of the Company described in this report. PAC Partners does and seeks to do business with companies covered in the research. PAC may receive commissions from dealing in securities. As a result, investors should be aware that PAC Partners may have a conflict of interest that could affect the objectivity of this report. **For more information about PAC Partners please visit www.pacpartners.com.au**

Buy	Hold	Sell
>20%	20% – 5%	<5%