



ANATARA  
LIFESCIENCES

# ANNUAL REPORT 2015

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# From problem to solution: **Finding**

The issue with antibiotics

Pressure is mounting to stop the overuse of antibiotics in livestock



## “Superbugs”

or antibiotic resistant bacteria **are on the rise** – driven by the overuse of antibiotics in humans and animals.

Up to

**80%** 

**of all antibiotics used are in livestock production** – as growth promotants or to protect against diseases like diarrhoea (also known as scour)

Antibiotic resistant bacteria are directly impacting human health on a global scale **drug resistant infections kill at least**

**700,000**



people every year.

## Governments are introducing legislation

In 2006 the European Union **banned the use of antibiotics for growth promotion** in animal feed



2006

Asian countries, including Korea, Japan and Singapore, have legislated that their meat **must be labelled as either “antibiotic free” or “organic”**

2012

In 2012 the US FDA released **guidelines recommending the removal of growth promotion label indications** from medically important antibiotics administered to animals.



2015

In 2015, the White House released a new **National Action Plan for Combating Antibiotic-Resistant Bacteria** and hosted a Forum of Antibiotic Stewardship with more than 150 key government, business, and agricultural leaders.



# an alternative to antibiotics

## An alternative to antibiotics is needed

The World Health Organisation (WHO) has called for a

**worldwide ban on antibiotics used for growth promotion in livestock**



McDonald's USA commits to only sourcing **chicken raised without antibiotics important to human medicine** – a move being replicated by other major food retailers as the industry embraces antimicrobial stewardship in food animals



The world needs to produce

**50% more meat by 2030** to meet growing global demand



As agricultural production increases, it will be **more difficult to maintain animal health** and protect animal welfare, particularly without the routine use of antibiotics



With stricter standards governing the use of antibiotics, producers are looking for non-antibiotic alternatives to protect against disease



It is Anatura's vision to establish **Detach™ as a safe and effective alternative** that will allow farmers to maintain current levels of:



animal health



growth



profitability

# Chairman's Letter

Dear Shareholders,

Your company, Anataara has made significant achievements since listing on the Australian Securities Exchange (ASX:ANR) in October 2014.

Our lead product Detach™ continues to progress towards launching on the market; large scale manufacturing is in place, clinical trials and global partnering discussions have all commenced, and the company finalised a well-supported capital raising that puts Anataara in a strong cash position.

Anataara intends to keep our initial focus on the pork industry. Pork is the most consumed meat around the world and about 1.6 billion piglets are weaned every year. In Europe, the US and other major pork producing countries, farms are typically integrated, well run, with sizable operations.

Under the guidance of our Chief Scientific Officer and Company co-founder, Dr Tracey Mynott, the first field trial involving nearly 500 piglets was successfully conducted on an Australian commercial pig farm. Detach™ almost halved the death rate among young pigs and increased the average weight of each piglet at weaning. A second field trial has been completed with successful results and a third is due to commence shortly. The trial results will be used as part of a registration submission to the Australian Pesticides and Veterinary Medicines Agency (APVMA) and we expect Detach™ to be on the market by the end of 2016.

Sydney-based pharmaceutical manufacturer Sphere Healthcare has been chosen to produce Detach™. Sphere has begun producing commercial scale batches of Detach™, and stability trials for the APVMA registration package are underway.

We are also excited to have signed a Commercial Collaboration Agreement with Australia's peak pork research group, the Pork Cooperative Research Centre (Pork CRC). The CRC will provide Anataara with services to locate key clinical trial sites and ongoing test sites, assist with the APVMA approval of Detach™, and promote the results of these trials.

Active partners and participants in the CRC include the largest Australian pork producers, feed manufacturers, and key government and farmer industry bodies, including the CSIRO.

Helping to drive the success of Anataara is growing concern around the world of the use and overuse of antibiotics. World health authorities are worried that increasing antimicrobial resistance will reduce the effectiveness of antibiotics and threaten public health.

Antibiotic resistance results from antibiotic overuse in humans and animals, with around 80% of all antibiotics used in production animals. To tackle this, authorities are increasingly banning growth promoting antibiotics and restricting prophylactic antibiotics in animal production. Consumers are also demanding assurances their meat is safe with specific focus on "antibiotic free" status. Global food companies such as McDonald's are putting plans in place to supply only meat produced without antibiotics used in humans.

This shift in attitudes has created a vacuum for non-antibiotic solutions to treat various diseases affecting livestock health along with the need to maintain optimum animal growth. This is where Anataara and Detach™ can help.

The Anataara team are moving forward to investigate the application of our lead product in other livestock species such as cattle and poultry.

In this changing environment, Anataara has begun engaging with overseas authorities. We have been fortunate to gain the services of well-recognised EU and US regulatory experts with Kevin Woodward joining our team as Regulatory Affairs Advisor. Kevin will lead our efforts in obtaining approval for Detach™ in Europe and the US.

It should also be noted that Anataara has been granted SME status in Europe, giving us access to a 90% fee reduction for companies seeking advice relating to new products. The fee reduction aims to maximise the chances of successful product registration. In the US, Anataara has been granted a fee waiver of US\$100,000 per annum so that we can commence



discussions with the Food and Drug Administration's Center for Veterinary Medicine to seek their advice on what they require for registration.

Global pharmaceutical companies are now concerned about reducing revenue streams following the move away from antibiotics. These global giants are logical partners for the licensing of Detach™. The appointment of Damian Wilson as Business Development Manager, with his vast experience in animal health, has led to meetings and discussions with most of the top 10 companies in the industry. Anataara also welcomed Paul Schober as Chief Executive Officer, replacing Managing Director David Venables, who remains a consultant for Anataara. Dr Schober's experience in the global animal health field and research and development will be invaluable as the Company grows.

On top of the recruitments to the management team, it should be noted that the Board has been strengthened. The addition of Paul Grujic brings a wealth of knowledge and experience in the Animal Health industry and complements an already strong Board.

It is a personal pleasure to have joined Anataara as it seeks to address a global problem with a new and exciting product. I look forward to sharing our future success with you.

Yours sincerely,



**Dr Mel Bridges**  
Chairman

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# CEO Report

## Detach™

### Progress

Significant progress was made during the reporting period as the first field trial involving nearly 500 piglets was successfully conducted on an Australian commercial pig farm. Detach™ decreased the death rate among young pigs and increased the average weight of each piglet at weaning.

A second field trial was begun with successful results reported after June 30 and a third is due to commence shortly. The trial results will be used as part of Anataara's registration submission to the Australian Pesticides and Veterinary Medicines Agency (APVMA). The company expects Detach™ to be on the market by the end of 2016 pending the outcome of the third field trial and registration process.

### Manufacturing

Anataara has secured Sydney-based pharmaceutical manufacturer Sphere Healthcare as its producer of Detach™. Sphere is a large scale manufacturer and fully licensed by the Therapeutic Goods Administration. The company has begun producing commercial scale batches of Detach™ with stability trials for the APVMA registration submission underway.

### Product Registration and Global Partnering

#### Australia

The Company has signed a Commercial Collaboration Agreement with Pork Cooperative Research Centre (Pork CRC). The agreement will see the Pork CRC help Anataara locate key clinical trial sites and ongoing test sites, assist with the APVMA approval of Detach™, and promote the results of these trials.

#### Europe and the United States

The Company has begun engaging with overseas authorities and will meet with both European Union and US regulators in October to discuss their requirements for the registration of Detach™.

With authorities around the world pushing for the reduction in the use of antibiotics in production animals, there has been considerable interest in Detach™ by large veterinary pharmaceutical companies. Anataara is already well advanced in discussions with several of these firms.

### The Future

Since listing on the ASX in October 2014 the Company has achieved significant progress in delivering on its key milestones. The potential of the product pipeline has been clearly recognised by investors and shareholders, culminating in Anataara successfully completing two tranches of fund raising in July this year. The fund raising both by way of a placement and shareholder Share Purchase Plan was significantly over subscribed.

With the fund raising process now complete, Anataara is in a secure position to rapidly roll out Detach™ globally as it receives regulatory approvals. The funds raised will be used primarily to carry out parallel registration of Detach™ in Europe and the United States. Specifically, funds will be used for:

1. Upscaling of manufacturing in Australia,
2. Safety studies in Australia and overseas,
3. Proof of concept/efficacy trials in piglets in both Europe and the United States,
4. Registration in Asia (for many Asian countries, registration in Australia is sufficient to begin sales there),
5. Efficacy studies of Detach™ in calves,
6. Efficacy studies of Detach™ in chickens,
7. Investigating using Detach™ in a solid form that can be given to chickens and older pigs.
8. Seek partnerships for the development of Detach™ for humans.



**Dr Paul Schober**

CEO



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# Detach™ Field Trial



**233** 

Piglets treated with Detach

 results showed



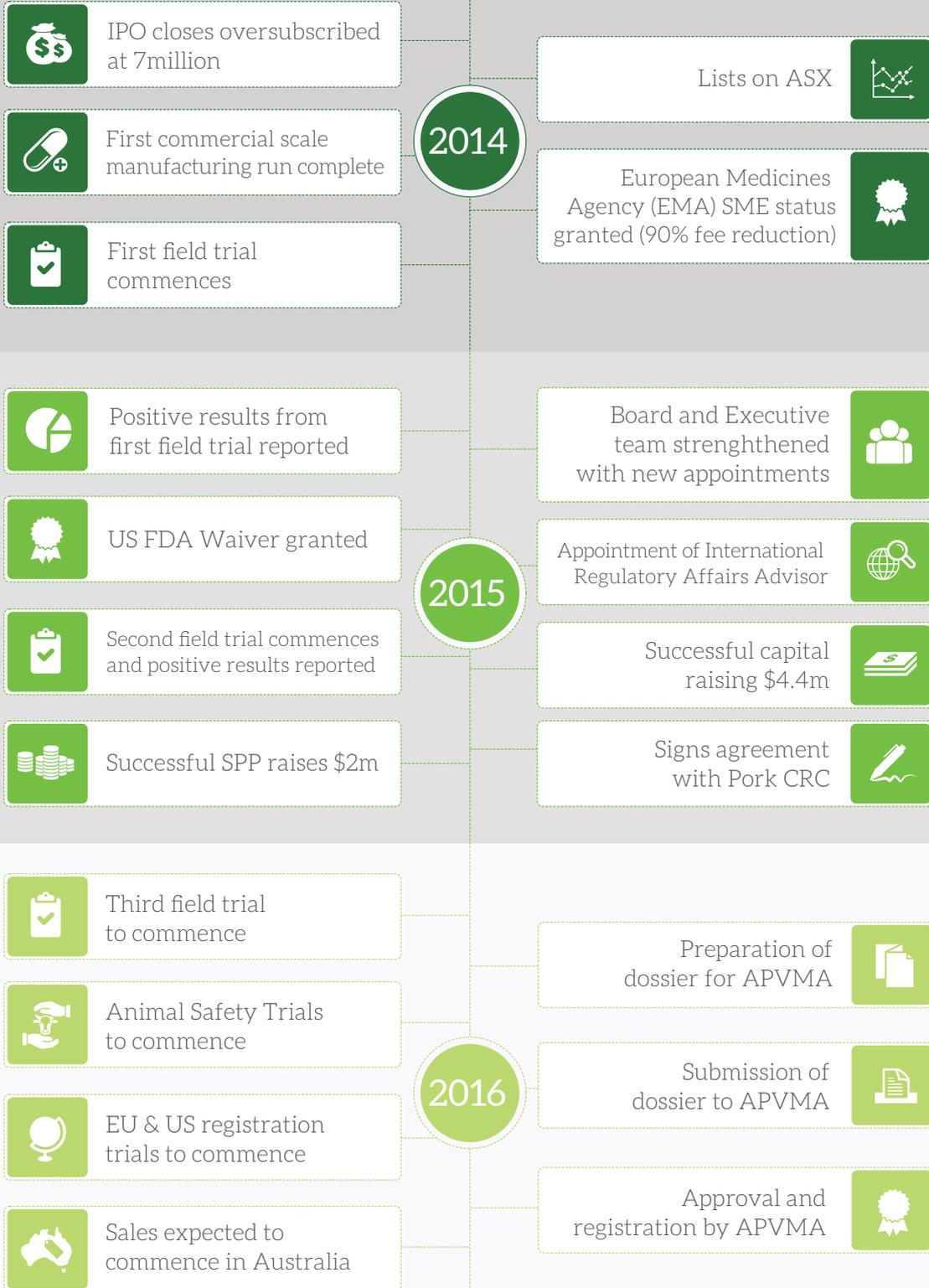
piglet mortality  
**47.8%** ↓



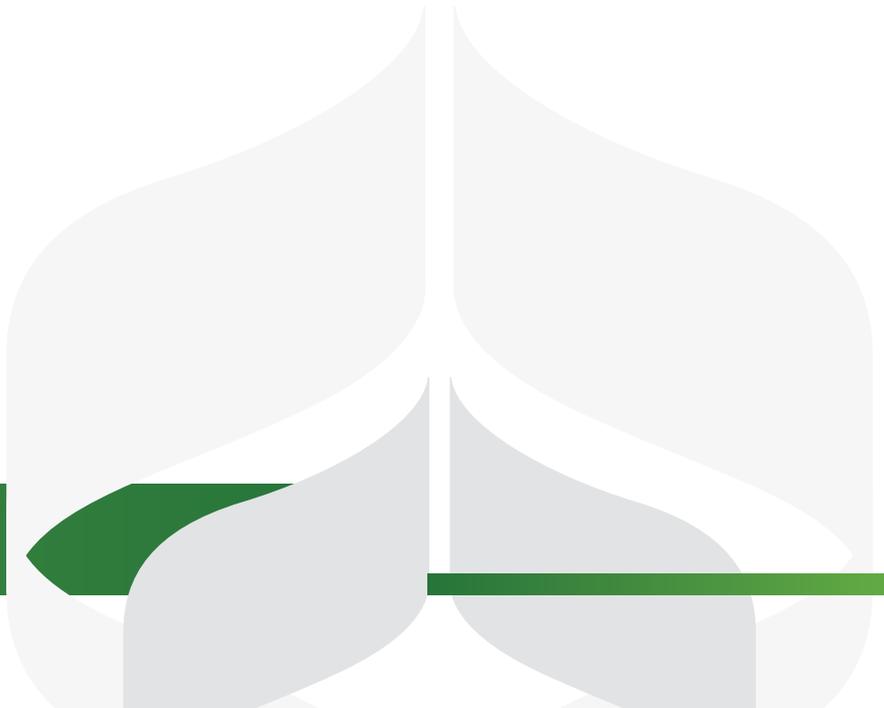

piglet weaning weight  
**5.7%**



# Anatara Key Milestones



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# Directors' Report

The Directors present their report, together with the financial statements, on the Company (referred to hereafter as the 'Company' or 'Group') consisting of Anataro Lifesciences Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2015.

## Directors

The following persons were Directors of Anataro Lifesciences Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

<b>Dr Mel Bridges</b>	Non-Executive Chairman
<b>Mr Iain Ross</b>	Non-Executive Director
<b>Dr Jay Hetzel</b>	Non-Executive Director (Appointed 4 August 2014)
<b>Dr Tracie Ramsdale</b>	Non-Executive Director (Appointed 4 August 2014)
<b>Mr Paul Grujic</b>	Non-Executive Director (Appointed 24 February 2015)
<b>Dr Paul Schober</b>	Chief Executive Officer (Appointed 2 March 2015)
<b>Dr David Venables</b>	Chief Executive Officer and Executive Director (resigned 24 February 2015)
<b>Dr Tracey Mynott</b>	Chief Scientific Officer and Executive Director (resigned as Executive Director on 4 August 2014)

## Principal activities

The Company is an Australian listed entity that focuses on developing oral solutions for gastrointestinal diseases in production animals and humans and the development and commercialisation of Detach™, a non-antibiotic therapy that prevents and treats diarrhoea (also known as scour) in piglets.



# Review of operations

## Detach™

### Progress

Significant progress was made during the reporting period as the first field trial involving more than 460 piglets was successfully conducted on an Australian commercial pig farm with a result of decreased death rate among young piglets and increased the average weight of each piglet at weaning.

A second field trial was begun and successful results reported after June 30. A third field trial is due to commence shortly. The trial results will be used as part of a submission to the Australian Pesticides and Veterinary Medicines Agency (APVMA) to register Detach™ for sale. Stability trials on Detach™ to determine its shelf life are also underway. We expect Detach™ to be on the market by the end of 2016 pending the outcome of the third trial and the registration submission process.

### Manufacturing

Sydney-based pharmaceutical manufacturer Sphere Healthcare has been contracted to produce Detach™ for Anataara. Sphere has begun producing commercial scale batches of Detach™.

### Product Registration and Global Partnering

#### Australia

Anataara has signed a Commercial Collaboration Agreement with Australia's leading pork industry research group, the Pork Cooperative Research Centre (Pork CRC). Under the agreement, Anataara will receive assistance to locate key clinical trial sites and ongoing test sites, help with the APVMA approval of Detach™, and promotion of the results of these trials. The Pork CRC's partners and participants include Australia's largest pork producers, feed manufacturers, and key government and farmer industry bodies, including the CSIRO.

#### Europe and the United States

The Company has begun engaging with overseas regulatory authorities with the view to obtaining approvals to market Detach™ in Europe and the US. Anataara has committed to expanding Detach™'s opportunity overseas with the engagement of senior regulatory advisors with expertise in European and US regulatory environments.

# Financial results and position

The Group reported a loss for the full-year ended 30 June 2015 of \$1,795,228 (2014: \$862,856). The loss is after fully expensing all research and development costs.

The Group's net assets increased by \$4.67M (564%) compared with the previous year to \$5.48M. As at 30 June 2015, the Group had cash reserves and financial assets of \$5.55M, an increase of \$4.5M on the previous financial year end.

# Information on Directors

The names of Directors in office at any time during or since the end of the year are:

<b>Dr Mel Bridges</b>	<b>Non-Executive Chairman</b>
Experience and expertise	<p>Dr Bridges has a Bachelor Degree of Science (Chemistry), Honorary Doctorate from Queensland University of Technology and Fellow of the Australian Institute of Company Directors</p> <p>Dr Bridges has extensive experience as a CEO/Managing Director and Company Director in healthcare, agricultural technology, drug development, pathology, diagnostics and medical devices. Related experience in retail. He has successfully raised in excess of \$300 million investment capital in the healthcare/biotech sector and been directly involved in over \$1 billion in M&amp;A and related transactions. He is the Co-Founder and former Chairman of PanBio Limited and ImpediMed Limited. He has been awarded Australian Export Award, Australian Quality Award, Business Bulletin "Business Star of the Year", Ernst &amp; Young "Entrepreneur of the Year", AusBiotech Gold Medal Award and BRW Top 100 Fastest Growing Companies Award.</p> <p>Dr Bridges is currently a director of ASX 100 company ALS Ltd, and a director of Tissue Therapies Ltd, where he is also the chair of the audit &amp; risk committee. Benitec BioPharma Limited (October 2007 to June 2014), ImpediMed Limited (September 1999 to November 2013), Alchemia Limited (October 2003 to July 2013), Genetic Technologies Limited (December 2011 to November 2012), and Leaf Energy Limited (August 2010 to September 2012)</p>
Date of appointment	15 July 2010
Committees	Chairman of the Nominations Committee, Member of the Remuneration Committee, Member of the Audit and Risk Committee
Interest in shares	5,853,230 ordinary shares
Interest in options	Nil
<b>Mr Iain Ross</b>	<b>Non-Executive Director</b>
Experience and expertise	<p>Mr Ross joined the Company as a Director in November 2013. Following a career with multi-national companies including Sandoz, Fisons plc, Hoffman La Roche and Celltech Group plc for the last 20 years Mr Ross has undertaken a number of company turnarounds and start-ups as a board member on behalf of private equity groups and banks including Quadrant Healthcare plc, Allergy Therapeutics Ltd, Eden Biodesign Ltd, Phadia AB, and Silence Therapeutics plc. Currently he is Non-Executive Chairman of Premier Veterinary Group PLC, which is listed on the Main List of the London Stock Exchange and private companies Biomer Technology Ltd and Pharminox Ltd.</p> <p>He is also a Non-Executive Director of Benitec Biopharma Limited, Tissue Therapies Limited, and Director and Acting Chief Executive of Novogen Limited, each of whose shares are traded on the Australian Securities Exchange. Novogen is also listed on NASDAQ. He is a Qualified Chartered Director of the UK Institute of Directors and Vice Chairman of the Council of Royal Holloway, University of London.</p>
Date of appointment	17 February 2014
Committees	Chair of the Remuneration Committee, Member of the Audit and Risk Management Committee and Nomination Committee
Interest in shares	1,332,500 ordinary shares
Interest in options	Nil



**Dr Jay Hetzel****Non-Executive Director**

Experience and expertise

Dr Hetzel has a background in technology commercialisation, animal genetics R&D and product development. During a scientific career with CSIRO spanning 20 years, he was an internationally recognised pioneer in cattle genomics and genetics and played a key role in establishing the foundations for beef industry applications of DNA technology. In 1998 he co-founded Genetic Solutions Pty Ltd which commercialised genomics technology in livestock. The company was sold to Pfizer Animal Health in 2008. Subsequently, he has been involved in the development and commercialisation of a range of life science technologies.

Dr Hetzel has been a Director of Anantara Lifesciences Ltd since August 2014 and is currently Non-Executive Chairman of Leaf Resources Ltd. Dr Hetzel is a Fellow of the Australian Academy of Technological Sciences and Engineering and a Fellow of the Australian Institute of Company Directors. He holds a Bachelor of Agricultural Science (Hons) from the University of Melbourne and a Ph.D in Animal Genetics from the University of Sydney.

Date of appointment

4 August 2014

Committees

Member of the Audit and Risk Management Committee and Remuneration Committee

Interest in shares

444,495 ordinary shares

Interest in options

Nil

**Dr Tracie Ramsdale****Non-Executive Director**

Experience and expertise

Dr Ramsdale holds a PhD in Biochemistry from the University of Queensland, a Master of Pharmacy from the Victorian College of Pharmacy and a Bachelor of Applied Science (Chemistry) from the Royal Melbourne Institute of Technology.

Following a successful career as a Principal Investigator and Commercial Manager of the Centre for Drug Design and Development at the University of Queensland, Tracie co-founded Alchemia Limited, a drug discovery and development company and led the company's development as its General Manager and Chief Executive Officer from 1998 to 2007. During this time, she was responsible for multiple financing transactions including a successful IPO, licensing the company's technology to major international pharmaceutical and manufacturing partners and the acquisition of a publicly listed biotech to strengthen the company's product pipeline. Tracie continues to serve as a non-executive director of Alchemia Limited.

Dr Ramsdale has served on a number of industry and government advisory groups including the Australian Federal Government Advisory Council on Intellectual Property, the Queensland Biotechnology Advisory Council, and the Industry Research and Development Board's Biological Committee.

Dr Ramsdale is a Fellow of the Australian Academy of Technological Sciences and Engineering and a member of the Australian Institute of Company Directors. She currently provides independent consulting advice to the biotechnology industry, academia and government.

Date of appointment

4 August 2014

Committees

Chairman of the Audit and Risk Management Committee and Member of Remuneration Committee

Interest in shares

44,000 ordinary shares

Interest in options

Nil

<b>Mr Paul Grujic</b>	<b>Non-Executive Director</b>
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Experience and expertise	Mr Grujic is a graduate in Applied Biology and in Marketing with more than 30 years' experience in the Animal Health industry. His roles have included Sales, Marketing, Business Development and General Management in the UK, USA and Australia.
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He was previously the President of CSL Animal Health with 250 staff and operations in the USA, Australia and New Zealand. He has also held senior positions with Glaxo, Pitman-Moore, Webster Animal Health, American Cyanamid and Fort Dodge(Wyeth). In addition he has worked as an advisor to several Animal Health companies and was a Non-Executive Director of Catapult Genetics, an Executive Director of Peptech Animal Health and a Director of NOAH the UK Animal Health trade association.

Mr Grujic has wide experience in acquisition, divestment and integration of companies and played a major role in the sale of CSL Animal Health and Catapult Genetics to Pfizer and Peptech Animal Health to Virbac, a global Animal Health company.

Date of appointment	24 February 2015
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Committees	Member of Remuneration Committee
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Interest in shares	29,605 ordinary shares
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Interest in options	Nil
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<b>Dr Paul Schober</b>	<b>Chief Executive Officer</b>
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Experience and expertise	Dr Schober has extensive global experience in the animal health field encompassing R&D, clinical trial management, regulatory affairs, manufacturing, sales and marketing as well as in ASX investor relations. In his most recent position, Paul was General Manager of Peptech Animal Health Pty Limited, now owned by the Australian Division of global animal health company Virbac SA.
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Dr Schober's achievements include approval of the first Australian biotechnology product by the FDA (Ovuplant in 1998); launch of Ovuplant in the US & the EU; regulatory approval and launch of animal health product Suprelorin in Australia and the EU and worldwide distribution agreements with leading animal health companies including Dechra, Fort Dodge Animal Health and Virbac. He was also instrumental in the successful positioning and trade sale of an animal health company.

Dr Schober has a BSc (Hons), PhD and MBA from the University of Sydney

Date of appointment	2 March 2015
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Committees	Nil
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Interest in shares	188,810 ordinary shares
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Interest in options	Nil
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<b>Dr David Venables</b>	<b>Non-Executive Director</b>
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Date of resignation	24 February 2015
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<b>Dr Tracey Mynott</b>	<b>Executive Director</b>
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Date of resignation	4 August 2014
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## Company Secretaries

**Mr Stephen Denaro**

**Company Secretary**

Experience and expertise

Stephen has extensive experience in mergers and acquisitions, business valuations, accountancy services, and income tax compliance gained from positions as Company Secretary and Chief Financial Officer of various public companies and with major chartered accountancy firms in Australia and the United Kingdom. He provides company secretarial services for a number of start-up technology and ASX listed and unlisted public companies.

Stephen has a Bachelor of Business in accountancy, Graduate Diploma in Applied Corporate Governance and is a member of the institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

Date of appointment

24 February 2014

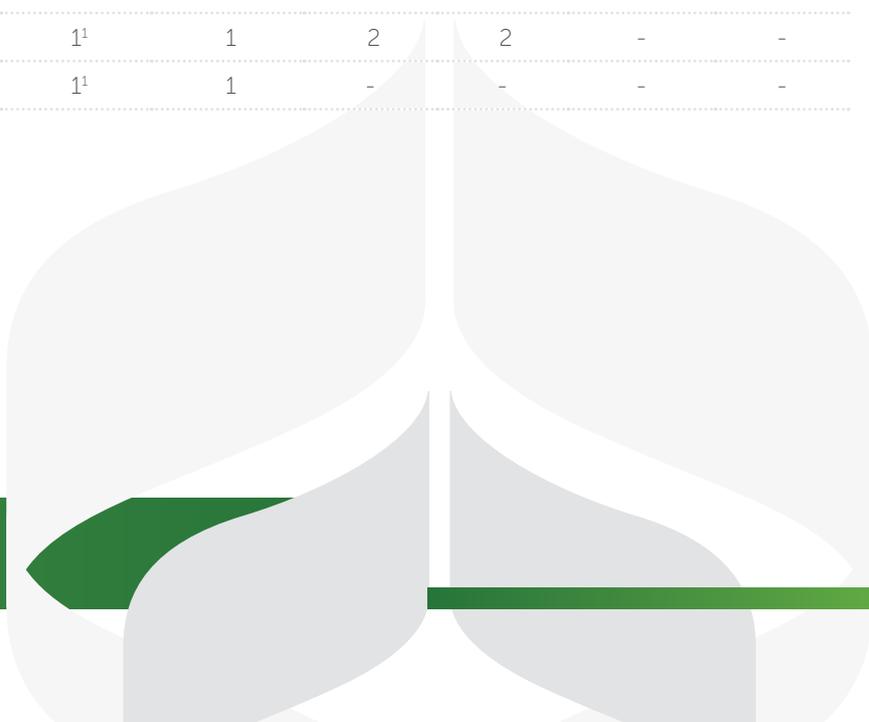
## Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') and of each board committee held during the year ended 30 June 2015, and the number of meetings attended by each director were:

Directors	Board Meetings		Committee Meetings					
	No. eligible to attend	No. attended	Audit and Risk Management		Remuneration		Nominations	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Dr Mel Bridges	14	14	2 <sup>1</sup>	2	2	2	1	1
Mr Iain Ross	14	11	2	2	2	2	1	1
Dr Jay Hetzel	14	14	2	2	2	2	-	-
Dr Tracie Ramsdale	14	14	2	2	2 <sup>1</sup>	2	-	-
Mr Paul Grujic	5	4	1 <sup>1</sup>	1	2	2	-	-
Dr David Venables	9	8	1 <sup>1</sup>	1	-	-	-	-

<sup>1</sup>By invitation

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# Remuneration Report (audited)

The Remuneration Report, which has been audited, outlines the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The Remuneration Report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation
- E. Relationship between the remuneration policy and Group performance
- F. Key management personnel disclosures

## A. Principles used to determine the nature and amount of remuneration

### Remuneration governance

The objective of the remuneration committee is to ensure that pay and rewards are competitive and appropriate for the results delivered. The remuneration committee charter adopted by the Board aims to align rewards with achievement of strategic objectives and the creation of value for shareholders. The remuneration framework applied provides a mix of fixed and variable pay and a blend of short and long-term incentives as appropriate. Issues of remuneration are considered annually or otherwise as required.

### Non-executive Directors

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. The Company's policy is to remunerate non-executive Directors at market rates (for comparable companies) for time commitment and responsibilities. Fees for non-executive Directors are not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, Directors are encouraged to hold shares in the Company.

Non-executive Directors' fees and payments are reviewed annually by the Board of Directors. The Board of Directors considers advice from external sources as well as the fees paid to non-executive Directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a director of the company.

The Chairman's fees are determined independently to the fees of other non-executive Directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration.

### Retirement benefits and allowances

No retirement benefits are payable other than statutory superannuation, if applicable to the Directors of the Company.



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### Other benefits

No motor vehicle, health insurance or other similar allowances are made available to Directors (other than through salary-sacrifice arrangements).

### Executive pay

Executive pay and reward consists of base pay, short-term performance incentives, long-term performance incentives and other remuneration such as superannuation. Superannuation contributions are paid into the executive's nominated superannuation fund.

### Base pay

Executives are offered a competitive level of base pay which comprises the fixed (unrisks) component of their pay and rewards. Base pay for senior executives is reviewed annually to ensure market competitiveness. There are no guaranteed base pay increases included in any senior executives' contracts. Base pay was increased during the year.

### Short-term and long-term incentives

Contractual agreements with key management personnel provide for the provision of incentive arrangements should these be introduced by the Company. There are currently no short-term or long-term incentive (STI & LTI) schemes in place within the Company. The board have, in the 2015-16 financial year, put in place a STI and LTI scheme. The STI component is performance based for Dr Schober and Dr Mynott and represents 20% of their respective base salaries, and is awarded on the basis of performance to a set of board approved Key Performance Indicators (KPI's). Executive KPI's are based on the APVMA approval process; manufacturing; EU and USA regulatory pathway; partnering and financial performance. The CSO has KPI's around clinical trials in addition. The board has agreed an option pool to be granted in the 2015-16 financial year. The options will have a three year exercise period lapsing in up to five years and will be priced at a 45% premium to the five day VWAP at date of granting.

### Securities Trading Policy

The trading of Company's securities by employees and Directors is subject to, and conditional upon, the Policy for Trading in Company Securities which is available on the Company's website ([www.Anatara Lifesciences.com](http://www.Anatara Lifesciences.com)).

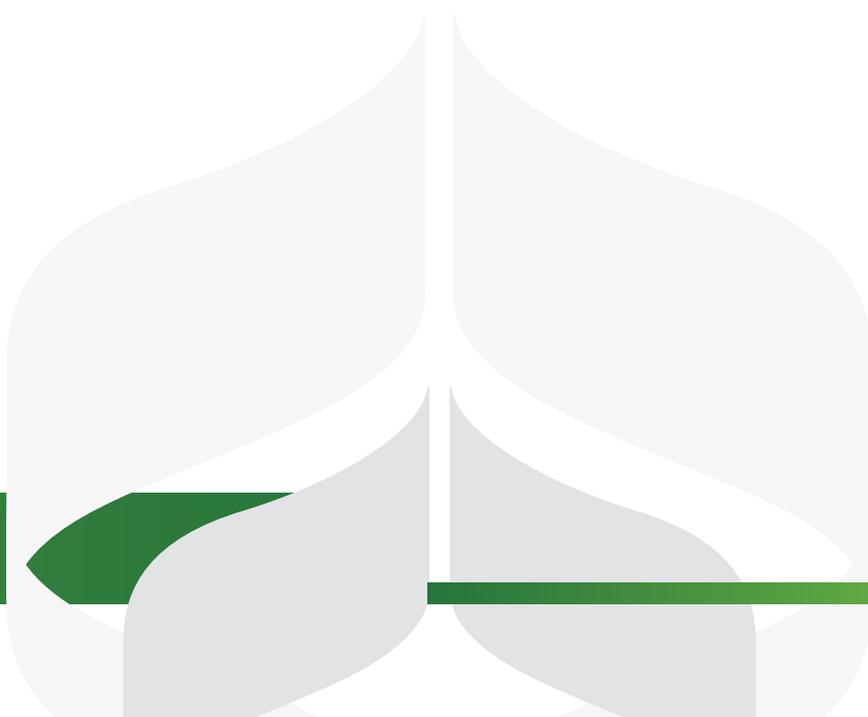
### Voting and comments made at the Company's 2014 Annual General Meeting

The Company did not vote on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration policies.

### Use of remuneration consultants

If remuneration consultants are to be engaged to provide remuneration recommendations as defined under section 9B of the Corporations Act 2001, then they are engaged by, and report directly to, the remuneration committee. No remuneration consultants were engaged to provide remuneration services during the financial year.

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## B. Details of remuneration

### Amounts of remuneration

Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company receiving the highest remuneration. Details of the remuneration of the KMP of the Company are set out in the following tables.

The key management personnel of the Company consisted of the following Directors of Anantara Lifesciences Ltd:

<b>Dr Mel Bridges</b>	Non-Executive Chairman
<b>Mr Iain Ross</b>	Non-Executive Director
<b>Dr Jay Hetzel</b>	Non-Executive Director (Appointed 4 August 2014)
<b>Dr Tracie Ramsdale</b>	Non-Executive Director (Appointed 4 August 2014)
<b>Mr Paul Grujic</b>	Non-Executive Director (Appointed 24 February 2015)
<b>Dr David Venables</b>	Chief Executive Officer and Executive Director (resigned 24 February 2015)

And the following persons:

<b>Dr Tracey Mynott</b>	Chief Scientific Officer and Executive Director (resigned as Executive Director on 4 August 2014)
<b>Dr Paul Schober</b>	Chief Executive Officer (Appointed 2 March 2015)

30 June 2015	Short-term benefits			Post-employment	Long-term	Share-based	Total	% of remuneration not related to performance
	Cash salary and fees	Annual Leave	Non-monetary	benefits	benefits	payments		
	\$ AUD	\$ AUD	\$ AUD	\$ AUD	\$ AUD	\$ AUD	\$ AUD	
<i>Non-Executive Directors:</i>								
	294,172	-	-	22,147	-	-	316,319	
<i>Executive Directors:</i>								
Dr David Venables	117,000	-	-	-	-	-	117,000	100.00%
	<b>117,000</b>	-	-	-	-	-	<b>117,000</b>	
<i>Other Key Management Personnel:</i>								
Dr Paul Schober	64,086	5,393	-	14,425	-	-	83,904	100.00%
Dr Tracey Mynott	214,905	22,316	-	20,416	-	-	257,637	100.00%
	<b>278,991</b>	<b>27,709</b>	-	<b>34,841</b>	-	-	<b>341,541</b>	
<b>Grand Total</b>	<b>690,163</b>	<b>27,709</b>	-	<b>56,988</b>	-	-	<b>774,860</b>	



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30 June 2014	Short-term benefits			Post-employment	Long-term	Share-based	Total	% of remuneration not related to performance
	Cash salary and fees	Annual Leave	Non-monetary	benefits	benefits	payments		
	\$ AUD	\$ AUD	\$ AUD	\$ AUD	\$ AUD	\$ AUD	\$ AUD	
<i>Non-Executive Directors:</i>								
Dr Mel Bridges	36,000	-	-	-	-	-	36,000	100.00%
Mr Iain Ross	24,000	-	-	-	-	-	24,000	100.00%
	<b>60,000</b>	-	-	-	-	-	<b>60,000</b>	
<i>Executive Directors:</i>								
Dr David Venables	72,873	-	-	-	-	-	72,873	100.00%
	<b>72,873</b>	-	-	-	-	-	<b>72,873</b>	
<i>Other Key Management Personnel:</i>								
Dr Tracey Mynott	108,941	-	-	4,959	-	-	113,900	100.00%
<b>Grand Total</b>	<b>241,814</b>	-	-	<b>4,959</b>	-	-	<b>246,773</b>	

## C. Service agreements

### Executives

The employment conditions of the Chief Executive Officer and Director, Dr Paul Schober is formalised in a contract of employment which commenced on the 2 March 2015. This contract stipulates a salary of \$220,000 pa, inclusive of superannuation and any salary sacrifice items. The base salary may increase up to a maximum of 10% based on agreed key performance indicators (KPI) in the first year of employment. Up to 30% of the salary is to be paid for each financial year subsequent to the completion of the first year of employment upon meeting KPI's at the Board's discretion. This component will be reviewed annually by the Board. The Executive will be permitted to participate in the Company's Share and Option Plan. The contract is term is continuing, termination benefits are as prescribed by statutory entitlements.

Similarly, the employment conditions of the Chief Scientific Officer, Dr Tracey Mynott, is formalised in a contract of employment which commenced on the 1 August 2014. The agreement stipulates that at the absolute discretion of the Board, upon meeting key performance indicators set in accordance with this Agreement, and subject to tax as required by law, the Executive may be paid an additional gross amount up to 30% of the Salary, to a maximum of \$54,000, for each financial year of this Agreement, commencing from the financial year 2014 - 2015. The Executive will be permitted to participate in the Company's Share and Option Plan. The contract term is continuing, termination benefit are as prescribed by statutory entitlements and an additional six months.

Key management personnel are entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

### Non-Executive Directors

In accordance with best practice corporate governance, the structure of non-executive Directors and executive remunerations is separate and distinct. Directors' fees cover all main board activities and committee memberships.

The current base fees, plus superannuation and GST (as applicable), for each non-executive Director is \$50,000 per annum (plus a further \$5,000 per annum for acting as chair of a Board committee). The Chairman's fee is \$80,000 per annum. The maximum amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at a General Meeting and is currently at a maximum aggregate of \$500,000 per annum.

Director agreements are continuing. Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

## D. Share-based compensation

### Issue of shares or options

There were no shares or options issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2015. (2014 \$nil).

## E. Relationship between the remuneration policy and group performance

As detailed under headings A & B, remuneration of executives consists of an unrisksed element (base pay) and cash bonuses based on performance in relation to key strategic, non-financial measures linked to drivers of performance in future reporting periods. As such, remuneration is not linked to the financial performance of the Company in the current or previous reporting periods.

## F. Key management personnel disclosures

### Shareholding

The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:



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30 June 2015	Balance at the start of the year	Balance at date of appointment	Received as part of remuneration	Additions	Disposals/ other	Balance at date of resignation	Balance at the end of the year
<b>Ordinary Shares</b>							
<b>Non-Executive Directors</b>							
Dr Mel Bridges	1,139,346	-	-	4,713,884	-	-	5,853,230
Mr Iain Ross	245,000	-	-	1,087,500	-	-	1,332,500
Dr Jay Hetzel	-	80,899	-	363,596	-	-	444,495
Dr Tracie Ramsdale	-	-	-	44,000	-	-	44,000
Mr Paul Grujic	-	-	-	29,605	-	-	29,605
	<b>1,384,346</b>	<b>80,899</b>	<b>-</b>	<b>6,238,585</b>	<b>-</b>	<b>-</b>	<b>7,703,830</b>
<b>Executive Directors</b>							
Dr David Venables	225,000	-	-	930,000	-	1,155,000	-
	<b>225,000</b>	<b>-</b>	<b>-</b>	<b>930,000</b>	<b>-</b>	<b>1,155,000</b>	<b>-</b>
<b>Other Key Management Personnel</b>							
Dr Paul Schober	-	-	-	188,810	-	-	188,810
Dr Tracey Mynott	1,000,527	-	-	4,002,108	-	-	5,002,635
<b>Grand Total</b>	<b>2,609,873</b>	<b>80,889</b>	<b>-</b>	<b>11,359,503</b>	<b>-</b>	<b>1,155,000</b>	<b>12,895,275</b>

### Option holding

There were no options over ordinary shares in the parent entity held during the current or previous financial year by any director or other members of key management personnel.

### Related party transactions

The Group's related parties include its key management/shareholders as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

There are no related party transactions during the year ended 30 June 2015.

**END OF REMUNERATION REPORT**

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# Corporate Governance Statement

## Events occurring after reporting date

On 7 July 2015, the Company issued a placement of 8,204,903 fully paid ordinary shares at 0.78 cents per share. The funds raised will provided working capital to:

- Fund foreign registration trials in the US and Europe;
- Fund proof of concept trials of Detach™ on calves and poultry;
- Advance the pre-clinical program, and prepare a dossier in readiness for partnering;
- Advance safety studies; and
- General working capital including in feed formulation and manufacturing costs.

On 11 August 2015, the Company announced that it has signed a Commercial Collaboration Agreement with the Pork Cooperative Research Centre (Pork CRC). The CRC will provide Anataro with services to locate key clinical trial sites and ongoing test sites, assist with the APVMA approval of its lead therapy, Detach™, and promote the results of these trials.

Apart from the above, no other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

## Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Company during the financial year.



# Likely developments, business strategies and prospects

With the successful fund raising complete, Anataara is in a secure position to rapidly roll out Detach™ globally as it receives regulatory approvals. The funds raised will be used to conduct parallel registration trials of Detach™ for pigs in Europe and the United States and will also be used to ramp up manufacturing, safety studies, and registration in Asia. Anataara will also conduct trials of Detach™ in calves and poultry, and seek development partners for its use in humans.

First and foremost we remain committed to completing the necessary work to submit a registration application for the approval to market Detach™ in Australia by the end of 2016. To this end we have engaged a team of regulatory experts who will assist us with preparing the registration dossier and submission to the APVMA. As noted previously, our clinical trials are well underway and we expect to begin a safety study in the coming months. To aid our expanded clinical trial program overseas and in other species, we are actively seeking an animal clinical trial expert to join the team.

Once Detach™ is approved in Australia, we will also be able to begin sales in several Asian countries under what is known as a "Certificate of Free Sale" available to those products which have Australian approval. We will also be investigating the best potential methods of distribution for those countries.

We also expect to shortly have meetings with the European and USA regulatory authorities to discuss our registration plans in both these territories. By applying to the US and EU authorities concurrently we are aiming to reduce the number of trials usually required in both jurisdictions (three in each) to save both time and cost. The advances in mutual recognition between the US and the EU lead us to believe that this may be possible.

The recent funding will allow us to pursue the above activities without being forced into a partnership deal to complete the work. Whilst it is definitely our intention to find a global partner for all potential uses of Detach™ in all jurisdictions, we can continue to add value to Anataara whilst evaluating all possible partners and offers to ensure we get the best possible arrangement for the company.

The potential for Detach™ in other species could provide a significant uplift in the company's value. Anataara has previously conducted preliminary studies in calves where diarrhoea is also a big problem. These early proof of concept trials showed that the product can be effective and we will be looking for partners to help begin trials in this area.

Anataara has also begun investigating the possibility of turning the Detach™ liquid dose (effectively a drench) into a solid formulation. Detach™ has been sent to a local solid feed manufacturer and the resultant solid feed will be tested to ensure that the active ingredient survives the formulating process. If this proves to be successful, we will immediately initiate an efficacy trial in "grower" pigs, ie. those post weaning. It is noteworthy that the APVMA has recently announced improved changes to the approval of animal feed (eg. swine, cattle and poultry) leading to a faster route to market for Anataara.

Finally the Company will also focus on seeking commercial partners and sources of non-dilutive funding in the human health arena. The problem of diarrhoea for children in third world countries is a significant issue and Anataara believe that its product could well be one part of the answer in saving many lives. It is important to note that that piglets is the model used to study gastrointestinal treatments in humans, so the company receives double the benefit for all its pig trials.



# Environmental legislation

The Company's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

## Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

## Indemnity and insurance of auditor

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

## Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.



# Non-audit services

The following non-audit services were provided by the entity's auditor, Grant Thornton. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Grant Thornton received or is due to receive the following amounts for the provision of non-audit services:

Consolidation Entity	30-Jun-15	30-Jun-14
	\$	\$
Taxation	51,335	19,500
Total	51,335	19,500

There are no officers of the Company who are former audit partners of Grant Thornton Audit Pty Ltd.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

## Auditor

Grant Thornton Audit Pty Ltd, appointed 20 November 2014, continue in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.



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# Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3, the Company's 2015 Corporate Governance Statement can be found on its website at <http://anataralifesciences.com/investors/corporate-governance>.

On behalf of the Directors



Dr Mel Bridges  
Chairman

Date: This Day 27<sup>th</sup> of August 2015

Melbourne



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### **Auditor's Independence Declaration To the Directors of Anantara Lifesciences Ltd**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Anantara Lifesciences Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M.A. Cunningham  
Partner - Audit & Assurance

Melbourne, 27 August 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594  
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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

Consolidated Entity			
	Note	30-Jun-15	30-Jun-14
		\$	\$
<i>Revenue</i>			
Research Grant		-	90,000
Interest Received		140,904	12,439
Other income – R&D tax incentive		61,383	-
<i>Expenses from Operating Activities</i>			
Research and Development Expenses		(128,672)	(177,439)
Patent Expense		(84,893)	(78,678)
Consultancy Expenses		(496,699)	(180,614)
Staff Expenses		(774,860)	(246,773)
Travel and Accommodation		(257,605)	(201,461)
ASX and Share Registry Fees		(139,227)	-
Other Expenses		(115,559)	(80,329)
<b>Loss from Operating Activities, before income tax</b>		<b>(1,795,228)</b>	<b>(862,856)</b>
Income Tax Expense	3	-	-
<b>Loss for the Period</b>		<b>(1,795,228)</b>	<b>(862,856)</b>
Other Comprehensive Income for the year		-	-
<b>Total Comprehensive Loss for the Period</b>		<b>(1,795,228)</b>	<b>(862,856)</b>
<i>Losses per share:</i>			
Basic losses per share (\$ per share)	5	(0.05)	(0.06)
Diluted losses per share (\$ per share)	5	(0.05)	(0.06)

This statement should be read in conjunction with the notes to the financial statements



# Consolidated Statement of Financial Position

For the year ended 30 June 2015

Consolidated Entity			
	Note	30-Jun-15	30-Jun-14
		\$	\$
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	7	1,497,539	1,051,082
Trade and Other Receivables		52,060	456
Financial Assets – Term Deposits		4,053,419	-
Prepayments		-	2,860
<b>Total Current Assets</b>		<b>5,603,018</b>	<b>1,054,398</b>
Non-Current Assets			
Equipment		24,776	-
<b>Total Non-Current Assets</b>		<b>24,776</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>5,627,794</b>	<b>1,054,398</b>
<b>LIABILITIES</b>			
Current Liabilities			
Trade and other payables		119,268	227,617
Employee entitlements		27,710	-
<b>Total Current Liabilities</b>		<b>146,978</b>	<b>227,617</b>
<b>TOTAL LIABILITIES</b>		<b>146,978</b>	<b>227,617</b>
<b>NET ASSETS</b>		<b>5,480,816</b>	<b>826,781</b>
<b>EQUITY</b>			
Issued capital	8	8,420,555	1,971,292
Accumulated Losses		(2,939,739)	(1,144,511)
<b>TOTAL EQUITY</b>		<b>5,480,816</b>	<b>826,781</b>

This statement should be read in conjunction with the notes to the financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

Consolidated Entity		Share capital	Retained Earnings	Total
	Note	\$	\$	\$
Balance as at 1 July 2013		1,000	(281,655)	(280,655)
Total comprehensive income/(loss) for the year		-	(862,856)	(862,856)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued net of costs		1,750,000	-	1,750,000
Capital Raising Cost		(142,934)	-	(142,934)
Debt to equity conversion		363,226	-	363,226
<b>Balance at 30 June 2014</b>		<b>1,971,292</b>	<b>(1,144,511)</b>	<b>826,781</b>
Total comprehensive income/(loss) for the year		-	(1,795,228)	(1,795,228)
<i>Transactions with owners in their capacity as owners:</i>				
Shares Issued	8	7,000,000	-	7,000,000
Capital Raising Cost	8	(550,737)	-	(550,737)
<b>Balance at 30 June 2015</b>		<b>8,420,555</b>	<b>(2,939,739)</b>	<b>5,480,816</b>

This statement should be read in conjunction with the notes to the financial statements.



# Consolidated Statement of Cash Flows

For the year ended 30 June 2015

Consolidated Entity	Note	30-Jun-15	30-Jun-14
		\$	\$
<b>Cash Flow Related to Operating Activities</b>			
Payments to suppliers and employees		(2,073,898)	(651,704)
Interest received		87,904	12,438
Research and development concessions grant		61,383	-
<b>Net Cash Flows from Operating Activities</b>	12	<b>(1,924,611)</b>	<b>(639,266)</b>
<b>Cash Flows Related to Investing Activities</b>			
Payment for purchases of plant and equipment		(24,776)	-
Investments in term deposits		(4,053,419)	-
<b>Net Cash Flows used in Investing Activities</b>		<b>(4,078,195)</b>	-
<b>Cash Flow Related to Financing Activities</b>			
Proceeds from issues of securities		7,000,000	1,750,000
Capital raising costs		(550,737)	(142,934)
Proceeds from related party borrowings		-	17,267
<b>Net Cash Flows used in Financing Activities</b>		<b>6,449,263</b>	<b>1,624,333</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>446,457</b>	<b>985,067</b>
Cash and cash equivalents at the beginning of the year		1,051,082	66,015
<b>Cash and Cash Equivalents at the End of the Year</b>	7	<b>1,497,539</b>	<b>1,051,082</b>

This statement should be read in conjunction with the notes to the financial statements.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

## 1. Significant accounting policies

### Corporate Information

The financial report of Anataro Lifesciences Ltd (the "Company") and its subsidiaries (together the "Group") for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on the 27<sup>th</sup> day of August 2015. The financial report is for the Group consisting of Anataro Lifesciences Ltd and its subsidiaries.

Anataro Lifesciences Ltd is a listed public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The principal activities of the Group are to develop oral solutions for gastro-intestinal diseases in animals and in humans.

#### Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards, required for a for-profit entity.

The financial report has been prepared on an accruals basis and is based on historical costs. The financial report is presented in Australian dollars, which is the Group's functional and presentation currency. All values are rounded to the nearest dollar unless otherwise stated.

Management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

#### Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.



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### New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Other than the amended accounting standards listed above, all other accounting standards adopted by the Group are consistent with the most recent Annual Report for the year ended 30 June 2014.

The following Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and therefore have not been adopted by the Group for the annual reporting period ended 30 June 2015:

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 9	Financial Instruments (2014)	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	1 January 2018	minimal	1 July 2018
AASB 15	Revenue from Contracts with Customers	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2018), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application	1 January 2018	minimal	1 July 2018

AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	minimal	1 July 2016
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## Accounting Policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### *Principles of Consolidation*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Anantara Lifesciences Ltd as at 30 June 2015 and the results of all subsidiaries for the year ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when they are exposed to, or have rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### *Segment reporting*

Identification and measurement of segments – The Group uses the “management approach” to the identification, measurement and disclosure of operating segments. The “management approach” requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity’s chief operating decision maker (comprising the Board of Directors), for the purpose of allocating resources and assessing performance.

### *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest revenue is recognised as interest accrues using the effective interest method.



Research and Development Tax Incentive – is recognised when it has been established that the conditions of the tax incentive have been met and that the expected amount of tax incentive can be reliably measured.

Grant income is recognised when the Group determines that it will comply with the conditions attached to the grant and that the grant will be received. The funding is recognised on a systematic basis over periods in which the entity recognises as expenses the costs related to the grant.

### Research and Development Costs

Research costs are expensed as incurred.

An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

### Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting loss nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting loss nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

*The Company and its wholly-owned Australian resident entities are members of a tax consolidated group under Australian taxation law. The Company is the head entity in the tax consolidated group. Entities within the tax consolidated group have entered into a tax funding agreement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, the Company and each of the entities in the tax consolidated group have agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the head entity.*

### Earnings per share

Basic earnings per share is calculated as net loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net loss attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

### Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as defined above.

### Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment, once they become over due by more than 60 days. A separate account records the impairment.

An allowance for a doubtful debt is made when there is objective evidence that the Group will not be able to collect the debts. The criteria used to determine that there is objective evidence that an impairment loss has occurred include whether the financial asset is past due and whether there is any other information regarding increased credit risk associated with the financial asset. Bad debts which are known to be uncollectible are written off when identified.

### Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

Cash flows arising from operating activities are included in the Statement of Cash Flows on a gross basis (i.e. including GST) and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority. The net amount of GST recoverable from or payable to, the taxation authority is included as part of the receivables or payables in the Statement of Financial Position.

### Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

### Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities



that the Group's management has the positive intention and ability to hold to maturity. If the consolidated entity were to sell other than an insignificant amount of held to maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held to maturity financial assets are included in non-current assets, except for those maturities less than 12 months from the end of the year, which are classified as current assets.

### Plant and Equipment

Plant and equipment are measured at cost or fair value less any accumulated depreciation and any impairment losses. Such assets are depreciated over their useful economic lives as follows:

	Life	Method
Plant and equipment	3-5years	Straight line

### Intangible assets

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

### Intellectual property costs

Amounts incurred for rights to or for acquisition of intellectual property are expensed in the year in which they are incurred to the extent that such intellectual property is used for research and development activities.

### Impairment of non-financial assets

The carrying values of non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffer impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

### Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Licensing fees are recognised as an expense when it is confirmed that they are payable by the Group.

### Employee benefits

#### Short Term Employee Benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave entitlements are recognised as provisions in the Consolidated Statement of Financial Position.

### Long Service Leave

The liability for long service leave is recognised for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, to the estimated future cash outflows.

### Contributed equity

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction (net of tax) of the share proceeds received.

### Foreign currency translation

The functional currency of the Group is based on the primary economic environment in which the Group operates. The functional currency of the Group is Australian dollars.

Transactions in foreign currencies are converted to local currency at the rate of exchange at the date of the transaction.

Amounts payable to and by the Group outstanding at reporting date and denominated in foreign currencies have been converted to local currency using rates prevailing at the end of the financial year.

All exchange differences are taken to profit or loss.

### Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis.

### Parent Information

The financial information for the parent entity, Anantara Lifesciences Ltd, disclosed in note 13 has been prepared on the same basis as the consolidated statement.

### Significant Accounting Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

#### Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised.

#### Capitalised development costs

Development costs are only capitalised by the Group when it can be demonstrated that the technical feasibility of completing the intangible asset is valid so that the asset will be available for use or sale.

No development costs were capitalised during the current year.



## 2. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors (Chief Operating Decision Makers), which make strategic decisions for the Group.

The Chief Operating Decision Maker evaluates the results on a Group wide basis and as such does not have specific operating segments.

## 3. Income Tax Benefits

### Reconciliation of income tax expense to prima facie tax expense:

	30-Jun-15	30-Jun-14
	\$	\$
The prima facie tax on profit/(loss) from ordinary activities before tax at 30% (2014: 30%) is:	(538,568)	(258,857)
Under/over provision of tax from prior year	(166,449)	-
Benefit of tax (benefit)/losses not brought to account	705,017	258,857
Actual tax expenses (income)	-	-

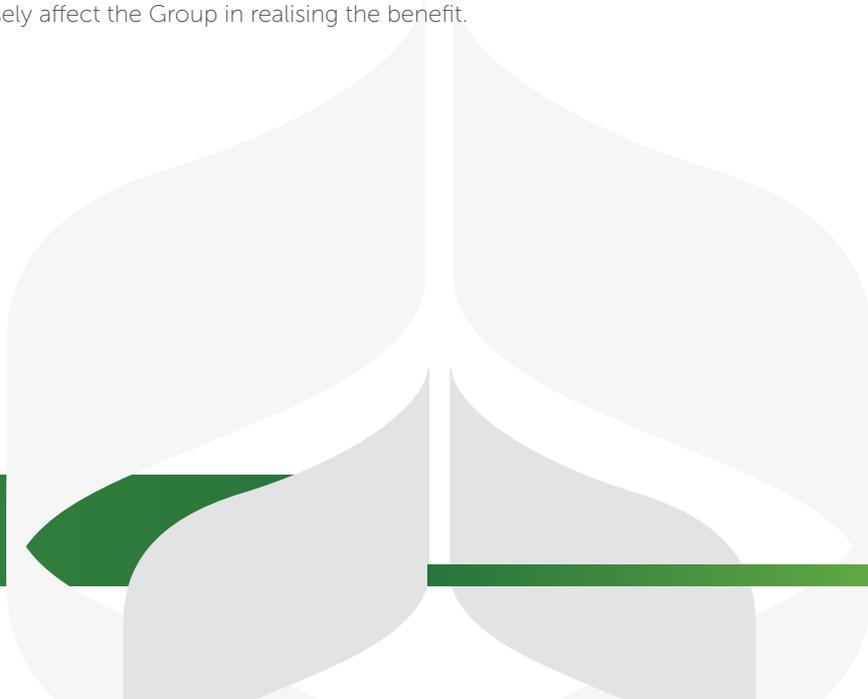
### Tax losses and temporary differences:

	30-Jun-15	30-Jun-14
	\$	\$
Unused tax losses and temporary differences for which no deferred tax asset has been recognised (not tax effected)	3,478,821	1,128,760

### Deferred income tax benefit:

Deferred tax assets arising from tax losses are, to the extent noted above, not recognised at reporting date as realisation of the benefit is not regarded as probable. This deferred income tax benefit will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation is complied with, including Continuity of Ownership and/or Same Business Tests; and
- no changes in tax legislation adversely affect the Group in realising the benefit.



## 4. Auditor's Remuneration

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Group, its network firms and unrelated firms:

	Consolidation Entity	
	30-Jun-15	30-Jun-14
	\$	\$
Audit or review of the financial statement	50,000	20,000
Other services	2,950	8,000
Total auditor's remuneration	52,950	28,000
Taxation	51,335	19,500
Total remuneration paid to Grant Thornton	104,285	47,500

## 5. Loss per Share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of Anantara Lifesciences Ltd as the numerator, i.e. no adjustments to profits were necessary during the year ended 30 June 2015 and 2014.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Consolidation Entity	
	30-Jun-15	30-Jun-14
	\$	\$
Basic loss per share	(\$0.05)	(\$0.06)
Diluted loss per share	(\$0.05)	(\$0.06)
a) Net loss used in the calculation of basic and diluted loss per share	(1,795,228)	(862,856)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	33,722,603	14,523,183*
c) Options that are considered to be potential ordinary shares are excluded from the weighted average number of ordinary shares used in the calculation of basic loss per share. All the options on issue do not have the effect of diluting the loss per share therefore, they have been excluded from the calculation of diluted loss per share.	-	-

There have been no other conversions to, call of, or subscriptions for ordinary shares, or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

\* Capital was subdivided on a 1:1500 basis on 8 May 2014 and on a 1:5 basis on 11 September 2014, comparative results for Earnings per Share have been restated to reflect this share split.



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## 6. Dividends

No dividends were paid and no dividends are expected to be paid during the year period ended in 30 June 2015 (2014: Nil).

## 7. Cash and Cash Equivalents

	Consolidation Entity	
	30-Jun-15	30-Jun-14
	\$	\$
Summary of cash held:		
Cash at bank	497,539	1,051,082
Term Deposits	1,000,000	-
	1,497,539	1,051,082

## 8. Contributed Equity

		Consolidation Entity	
		30-Jun-15	30-Jun-14
		\$	\$
Ordinary fully paid shares	8(a)	8,420,555	1,971,292
		8,420,555	1,971,292

8(a) Ordinary Shares Note	Year to 30 June 2015		Year to 30 June 2014	
	No.	\$	No.	\$
Balance at the beginning of the period		4,750,000	1,971,292	1,785,000
Debt to equity conversion	9	-	-	215,363,226
Subdivision of shares, 1,500 shares for every 1 share		-	-	2,998,000
Subdivision of shares, 5 shares for every 1 share		19,000,000	-	-
Shares issued during the period		14,000,000	7,000,000	1,750,000
Transaction costs relating to share issues		-	(550,737)	(142,934)
<b>Balance at the end of the period</b>		<b>37,750,000</b>	<b>8,420,555</b>	<b>4,750,000</b>

Ordinary shares participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The ordinary shares have no par value.

## 9. Share based payments and related party transactions

### 30 June 2015

There are no share based payments or related party transactions for the year ended 30 June 2015.

### 30 June 2014

On 14 April 2014 the outstanding non-interest bearing loan amounts owing to entities related to a current and previous directors respectively were converted into equity as follows:

#### Details are as follows

Date of issue:	4 April 2014
Number of shares issued:	215 fully paid ordinary shares
Issue price:	Nil
Total value of shares issued:	\$363,226
Determination of fair value:	fair value of the loan amount converted at the date of issue

## 10. Key management personnel compensation

The aggregated compensation made on Directors and other members of key management personnel of the Group is set out below:

	Consolidated Entity	
	30-Jun-15	30-Jun-14
	\$	\$
Short-term employee benefits	717,872	241,814
Post-employment benefits	56,988	4,959
	774,860	246,773

Further disclosures regarding key management personnel compensation are contained within the remuneration report.



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## 11. Commitments and Contingencies

### a. Commitments

	Consolidation Entity	
	30-Jun-15	30-Jun-14
	\$	\$
Lease expenditure commitments:		
- not later than 12 months	20,176	23,000
	20,176	23,000

The lease expenditure commitments relate to the leasing of office premises. The lease is for a term of one year, expiring April 2016.

### a. Contingent asset and liabilities

The Group does not consider it has contingent assets or liabilities outstanding as at 30 June 2015.

## 12. Reconciliation of net loss after income tax to net cash from operating activities

	Consolidated Entity	
	30-Jun-15	30-Jun-14
	\$	\$
Net Loss for the period	(1,795,228)	(862,856)
Movements in working capital:		
(Increases)/Decreases in Accounts Receivable	(51,604)	-
(Increases)/Decreases in Other Current Assets	2,860	2,970
Increases/(Decreases) in Accounts Payable	(108,348)	220,620
Increases/(Decreases) in Employee Entitlements	27,710	-
Net cash flows used in operating activities	(1,924,610)	(639,266)

## 13. Parent Entity Information

Set out below is the supplementary information about the parent entity.

Statement of Financial Position	Parent	
	30-Jun-15	30-Jun-14
	\$	\$
<b>ASSETS</b>		
Total Current Assets	5,581,020	1,075,867
Total Non-Current Assets	24,776	-
<b>TOTAL ASSETS</b>	<b>5,605,796</b>	<b>1,075,867</b>
<b>LIABILITIES</b>		
Total Current Liabilities	102,978	227,617
<b>TOTAL LIABILITIES</b>	<b>102,978</b>	<b>227,617</b>
<b>NET ASSETS</b>	<b>5,502,818</b>	<b>848,250</b>
<b>EQUITY</b>		
Issued capital	8,420,555	1,971,292
Accumulated Losses	(2,917,737)	(1,123,042)
<b>TOTAL EQUITY</b>	<b>5,502,818</b>	<b>848,250</b>
Statement of profit or loss and other comprehensive income	Parent	
	30-Jun-15	30-Jun-14
	\$	\$
Loss for the year	(1,794,695)	(862,856)
other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(1,794,695)</b>	<b>(862,856)</b>

### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has not entered into any guarantees in the current or prior financial year in relation to debts of its subsidiaries.

### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group as disclosed in note 1.



## 14. Subsidiaries

Country of incorporation	Equity holding	
	2014	2014
	%	%
<b>Name of entity</b>		
Sarantis Pty Limited	Australia	100
		100

## 15. Events after the reporting period

On 7 July 2015, the Company issued a placement of 8,204,903 fully paid ordinary shares at 0.78 cents per share. The funds raised will provided working capital to:

- Fund foreign registration trials in the US and Europe;
- Fund proof of concept trials of Detach™ on calves and poultry;
- Advance the pre-clinical program, and prepare a dossier in readiness for partnering;
- Advance safety studies; and
- General working capital including in feed formulation and manufacturing costs.

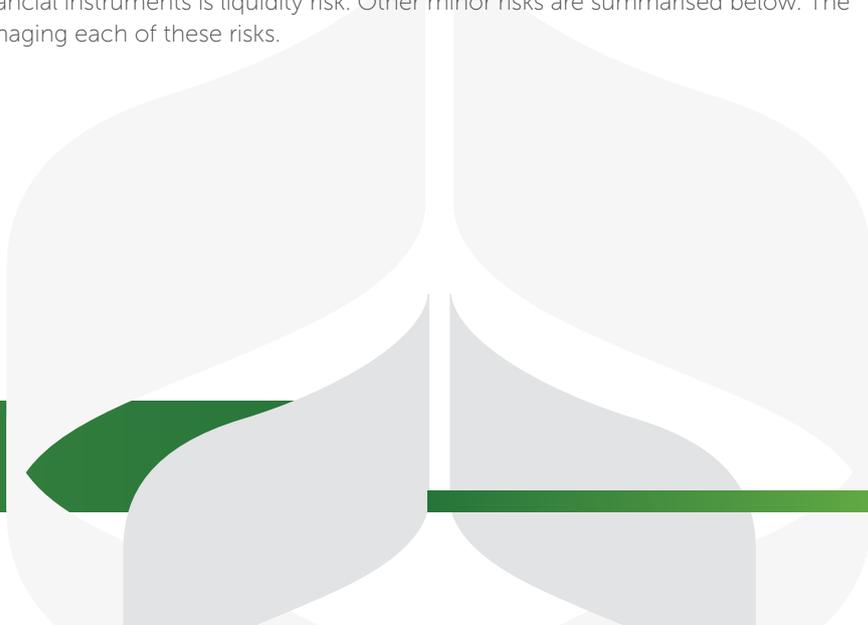
On 11 August 2015, the Company announced that it has signed a Commercial Collaboration Agreement with the Pork Cooperative Research Centre (Pork CRC). The CRC will provide Anantara with services to locate key clinical trial sites and ongoing test sites, assist with the APVMA approval of its lead therapy, Detach™, and promote the results of these trials.

Apart from the above, no other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## 16. Financial Instruments, Risk Management Objectives and Policies

The Group's principal financial instrument is cash and cash equivalents and financial assets – term deposits.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period, the Group's policy that no trading in financial instruments shall be undertaken. The main risk arising from the Group's financial instruments is liquidity risk. Other minor risks are summarised below. The Board reviews and agrees policies for managing each of these risks.



## Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available funding in order to determine headroom or any shortfalls.

The Group's non-derivative financial liabilities have contractual maturities as summarised below:

	30 June 2015		30 June 2014	
	Current		Current	
	Within 6 months	6 to 12 months	Within 6 months	6 to 12 months
	\$	\$	\$	\$
Trade and other payables	119,268	-	227,617	-
<b>Total</b>	<b>119,268</b>	<b>-</b>	<b>227,617</b>	<b>-</b>

## Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash deposits with floating interest rates which expose the Group to interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

The following tables set out the Group's financial instruments and its exposure to the type of interest rate risk and the effective weighted average interest rate for each class of these financial instruments. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

	Non-interest bearing	Floating interest rates	Fixed interest rates	Effect on profit	
				10% of current rate	-10% of current rate
As at 30 June 2015	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Loans and receivables					
- Trade and other receivables	52,062	-	-	-	-
- Cash and cash equivalents	-	497,539	1,000,000	1,244	(1,244)
- Other financial assets	-	-	4,053,419	-	-
<b>Financial liabilities, amortised cost</b>	-	-	-	-	-
Trade and other payables	(119,268)	-	-	-	-
<b>Total</b>	<b>(67,206)</b>	<b>497,539</b>	<b>5,053,419</b>	<b>1,244</b>	<b>(1,244)</b>



	Non- interest bearing	Floating interest rates	Fixed interest rates	Effect on profit	
				10% of current rate	-10% of current rate
<b>As at 30 June 2014</b>	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Loans and receivables					
- Trade and other receivables	456	-	-	-	-
- Cash and cash equivalents	-	1,051,082	-	2,628	(2,628)
<b>Financial liabilities, amortised cost</b>					
Trade and other payables	(227,617)	-	-	-	-
<b>Total</b>	<b>(227,161)</b>	<b>1,051,082</b>	<b>-</b>	<b>2,628</b>	<b>(2,628)</b>

A sensitivity of 10% of current prevailing interest rates has been selected as this is considered conservative and reasonable given the current level of both short term and long term Australian interest rates. A 10% sensitivity would move short term rates from 2.50% to approximately 2.75% representing a 25 basis points shift. This would represent an interest rate increase, which are reasonably possible in the current environment.

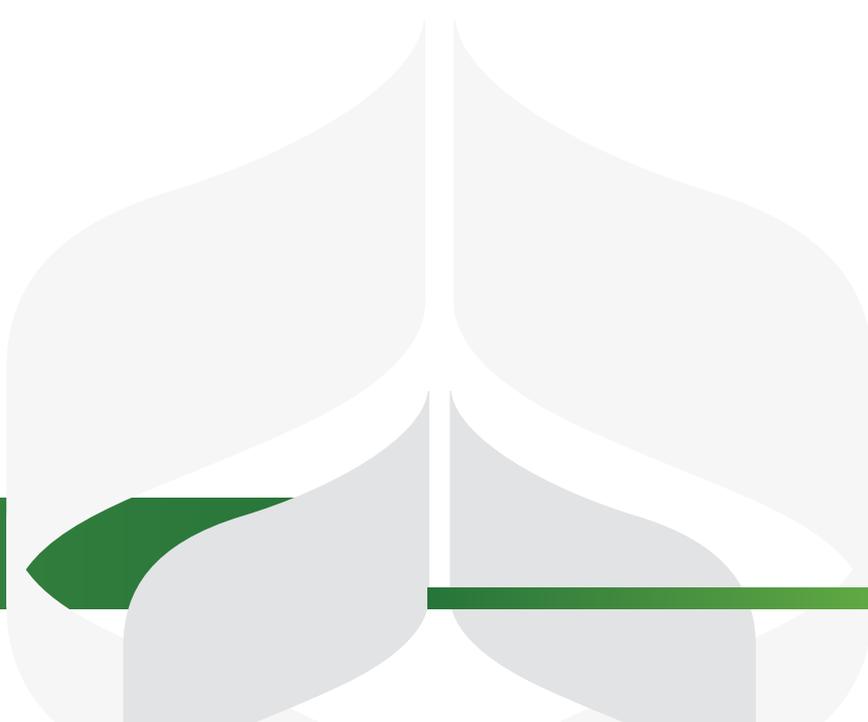
Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

#### Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group's foreign transactions are immaterial during the year and it is not exposed to foreign currency risk.

#### Credit Risk

Credit risk arises from cash and cash equivalents and outstanding trade and other receivables. The cash balances are held in financial institutions with high ratings. The Group has assessed that there is minimal risk that the cash and trade and other receivables balances are impaired.



## 17. Capital management policies and procedures

The Group's objectives when managing capital are to ensure that the Group has sufficient funds to be a going concern. This is achieved by ensuring that the Board is focussed on cash flow management through periodic Board reporting. The Board reviews financial accounts on a monthly basis and reviews actual expenditure against budget on a monthly basis.

The Group could also raise additional capital if necessary by issuing new shares so as to fund the development of its key products. The total capital is shown as the equity in the Statement of Financial Position. There is expected to be no debt in the next 12 months and there are no external restrictive agreements on the Group for the use of its capital.

Management also maintains a capital structure that ensures the lowest cost of capital available to the entity.

The Group does not have a defined share buy-back plan.

No dividends were paid in 2015 and no dividends are expected to be paid in 2016.

There is no current intention to incur debt funding on behalf of the Group as on-going development expenditure is expected to be funded via equity or partnerships with other companies. The Group is not subject to any externally imposed capital requirements.

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# Directors' Declaration

The Directors' of the Company declare that;

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

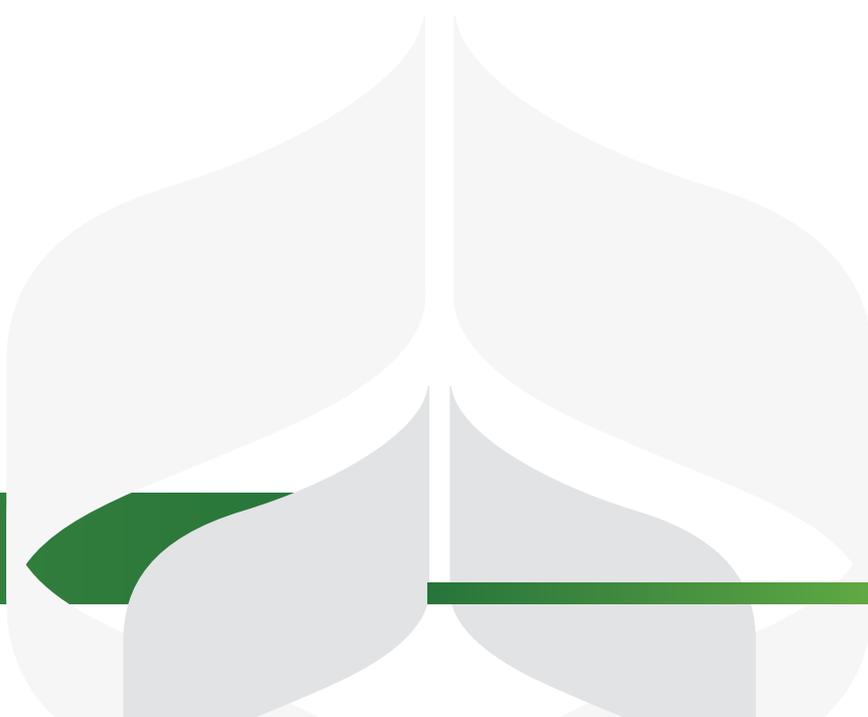


**Dr Mel Bridges**  
Chairman

Date: This Day 27<sup>th</sup> of August 2015

Melbourne

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## **Independent Auditor's Report To the Members of Anantara Lifesciences Ltd**

### **Report on the financial report**

We have audited the accompanying financial report of Anantara Lifesciences Ltd (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

### **Directors' responsibility for the financial report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**Auditor's opinion**

In our opinion:

- a the financial report of Anataro Lifesciences Ltd is in accordance with the Corporations Act 2001, including:
  - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

**Report on the remuneration report**

We have audited the remuneration report included in pages x to y of the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

**Auditor's opinion on the remuneration report**

In our opinion, the remuneration report of Anataro Lifesciences Ltd for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M.A. Cunningham  
Partner - Audit & Assurance

Melbourne, 27 August 2015

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# Corporate Directory

## DIRECTORS

Dr Mel Bridges	Non-Executive Chairman
Mr Iain Ross	Non-Executive Director
Dr Jay Hetzel	Non-Executive Director (Appointed 4 August 2014)
Dr Tracie Ramsdale	Non-Executive Director (Appointed 4 August 2014)
Mr Paul Grujic	Non-Executive Director (Appointed 24 February 2015)
Dr Paul Schober	Chief Executive Officer (Appointed 2 March 2015)
Dr David Venables	Chief Executive Officer and Executive Director (resigned 24 February 2015)
Dr Tracey Mynott	Chief Scientific Officer and Executive Director (resigned as Executive Director on 4 August 2014)

## COMPANY SECRETARY

Mr Stephen Denaro

## COMPANY

Anatara Lifesciences Ltd  
ABN 41 145 239 872

## PRINCIPAL PLACE OF BUSINESS

433 Logan Road, Stones Corner,  
Brisbane, Queensland, Australia, 4120

Telephone:  
+ 61 (0)7 3394 8202

## SHARE REGISTRY

Computershare Investor Services Pty Ltd

117 Victoria Street, West End,  
Queensland, Australia, 4101

Telephone:  
1300 787 272 (local)  
+61 (0)3 9415 4000 (international)

Facsimile:  
+61 (0)3 9473 2500 (local and international)



## AUDITORS

Grant Thornton Audit Pty Ltd

The Rialto, Level 30, 525 Collins Street,  
Melbourne, Vic, 3000 Australia

Telephone

+61 (0)3 8320 2222

Facsimile:

+61 (0)3 8320 2200

## WEBSITE

[www.anataralifesciences.com](http://www.anataralifesciences.com)

## REGISTERED OFFICE

433 Logan Road, Stones Corner,  
Brisbane, Queensland, Australia, 4120

Telephone:

+ 61 (0)7 3394 8202

## SOLICITORS

McCullough Robertson

Level 11, Central Plaze Two,  
66 Eagle Street, Brisbane,  
Queensland, 4000, Australia

## BANKERS

ANZ

Melbourne, Victoria

## SECURITIES QUOTED

*Australian Securities Exchange*

- Ordinary Fully Paid Shares (Code: ANR)

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# Shareholder Information

Below is the current shareholder information at 25 September 2015 based on available information:

## Top 20 Security Holders - Ordinary Shares

	No of Shares	% Issued Capital
1. MYENG PTY LTD	5,002,635	10.15
2. PARMA CORPORATION PTY LTD	4,947,825	10.04
3. UBS NOMINEES PTY LTD	2,229,562	4.52
4. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,577,131	3.20
5. IAIN ROSS	1,282,500	2.60
6. DAVID CHARLES VENABLES	1,125,000	2.28
7. AZALEA FAMILY HOLDINGS PTY LTD <NO 2 A/C>	818,000	1.66
8. PARMA CORPORATION PTY LTD	799,019	1.62
9. BEEBEE HOLDINGS PTY LTD	690,614	1.40
10. JAMES PETER KALOKERINOS + MARY-ANNE KALOKERINOS <KALOKERINOS SUPER FUND A/C>	591,219	1.20
11. CS FOURTH NOMINEES PTY LTD	572,239	1.16
12. BUNGEELTAP PTY LTD	494,288	1.00
13. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	490,217	0.99
14. MATTHEW TURNER	464,102	0.94
15. JACOBY MANAGEMENT SERVICES PTY LIMITED <JACOBY MANAGEMENT S/ FUND A/C>	455,000	0.92
16. JACOBY MANAGEMENT SERVICES PTY LIMITED <KARL JACOBY FAMILY A/C>	428,114	0.87
17. JONTRA HOLDINGS PTY LTD	405,614	0.82
18. CITICORP NOMINEES PTY LIMITED	388,400	0.79
19. BUDUVA PTY LTD	368,234	0.75
20. PICTON COVE PTY LTD	352,713	0.72
<b>Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)</b>	<b>23,482,426</b>	<b>47.63</b>
<b>Total Remaining Holders Balance</b>	<b>25,805,810</b>	<b>52.37</b>
<b>Total</b>	<b>49,288,236</b>	<b>100.00</b>



## Distribution of Security Holders

No of Securities Held	No of Investors	No of Securities
1 to 1000	33	26,476
1001 to 5000	161	500,655
5001 to 10,000	104	821,957
10,001 to 100,000	374	12,945,296
100,001 to (max)	88	34,993,852
Total	760	49,288,236

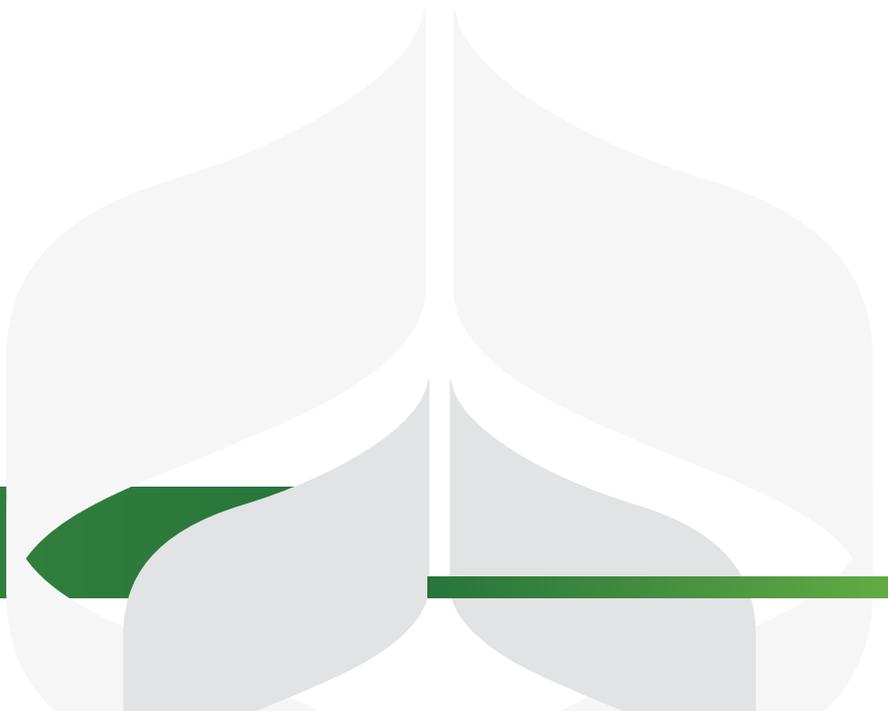
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**ANATARA**  
LIFESCIENCES

ANNUAL REPORT 2015

Anatara Lifesciences Ltd  
ABN 41 145 239 872

433 Logan Road, Stones Corner,  
Brisbane, Queensland, Australia, 4120

Telephone:  
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