

ASX Release

Anatara Appendix 4C and updated cash balance

BRISBANE & MELBOURNE, 31st October 2018: Anatara Lifesciences (ASX:ANR) is pleased to release its Appendix 4C for the quarter ending 30th September 2018. The Company's cash position at the end of the quarter stood at \$7.1m.

During the reporting period, Anatara received income of USD 500k, which was the remainder of the upfront payment from Zoetis Inc, that was paid upon execution of the exclusive licensing agreement for the worldwide development, manufacture, distribution and marketing of Detach, signed in May 2018. Expenditure during the quarter was in line with forecast.

Post the quarter, on the 23rd October, Anatara announced the appointment of a new Product Development Advisory Board comprising prominent independent experts in human gastrointestinal health. The group will assist the company in the development of its human health products.

Also post the quarter, on the 29th October, Anatara announced that it had received [approval from the Australian Pesticides and Veterinary Medicines Authority](#) (APVMA) for its animal health product, Detach with the approved label, *"To aid in the control of scour and has positive health benefits in weaned piglets from 3 weeks of age and help increase survivability of scouring pre-weaning piglets"*.

The Company remains sufficiently funded to execute on the development and partnering of our Gastrointestinal ReProgramming (GaRP) dietary supplement, designed to address the primary underlying factors associated with gastrointestinal disorders such as Irritable Bowel Syndrome and Inflammatory Bowel Disease.

For more information please contact:

Investor inquiries	Media inquiries
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About Anataro Lifesciences

Anataro Lifesciences (ASX: ANR) develops and aims to partner non-antibiotic, oral products for gastrointestinal diseases in animals and humans where there is significant unmet need and large market opportunity. In May 2018, Anataro granted an exclusive licence to the leading global animal health company, Zoetis Inc., for the worldwide development, manufacturing, distribution and marketing of its lead product Detach as a non-antibiotic approach to aid in the control of diarrhoeal disease (known as scour) in livestock and in horses. Anataro is now focused on developing its human product pipeline for gastrointestinal health applications. For more information, please visit www.anatarolifesciences.com.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

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

Name of entity

Anatara Lifesciences Ltd (ASX: ANR)

ABN

41 145 239 872

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter A'000	Year to date (3 months) A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	670 ¹	670
1.2 Payments for		
(a) research and development	(187)	(187)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(551) ²	(551)
(f) administration and corporate costs	(622)	(622)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	84	84
<p>¹ The Group signed with Zoetis Services LLC ("Zoetis") a license, development and commercialisation agreement on 10 May 2018. According to this agreement, the first Milestone payment of US\$2,500,000 is payable upfront at the effective date of the agreement dated 10 May 2018, US\$2million of which was credited against the previously paid option and evaluation agreement entered into in 2016. The balance of US\$500,000 (equivalent to approximately \$670,000) was paid to the Group during the current quarter.</p> <p>² The staff costs include a one-off payment of \$99,972 for employment termination.</p>		
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-

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Consolidated statement of cash flows		Current quarter A'000	Year to date (3 months) A'000
1.7	Government grants and tax incentives	17	17
1.8	Other	51	51
1.9	Net cash from / (used in) operating activities	(538)	(538)

2.	Cash flows from investing activities	-	-
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments (<i>term deposits of greater than 90 days</i>)	(2,000)	(2,000)
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments (<i>term deposits of greater than 90 days</i>)	4,700	4,700
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	2,700	2,700

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

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Consolidated statement of cash flows	Current quarter A'000	Year to date (3 months) A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,448	1,448
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(538)	(538)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	2,700	2,700
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	3,610	3,610

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	110	948
5.2 Call deposits (<i>term deposits of less than or equal to 90 days</i>)	3,500	500
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,610 (*)	1,448 (*)

(*) As at 30 September 2018, other than the cash and cash equivalents presented above, the Company also had \$3,500,000 (30 June 2018: \$6,200,000) in deposits with terms of greater than 90 days.

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	175
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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

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

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
-		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	330
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	490
9.6 Administration and corporate costs	350
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,170

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

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: 31/10/2018

Print name: Tracie Ramsdale

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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