



Anatara Lifesciences Appendix 4C and Q3 FY22 Activities Report

Key highlights for Q3 FY22

- **Commencement of recruitment for clinical trials at CSIRO Nutrition and Health Research Clinic (Adelaide) for 3FDC in adults with mild to moderate depression, anxiety or stress**
 - **Trial eligibility expanded to include participants with scores in the mild range on a minimum of one of the DASS-21 subscales (depression, anxiety, stress)**
- **CSIRO Nutrition and Health Research Clinic (Adelaide) site commenced recruiting for GaRP in irritable bowel syndrome – subtype diarrhoea (IBS-D)**
- **Considering additional opportunities to deliver anticipated dates for results**
 - **Recruitment for GaRP in IBS-D expected to commence in Melbourne in May**
 - **Further expansion of eligibility criteria for GaRP trial**
- **Actively evaluating opportunities to broaden gastrointestinal health pipeline**

MELBOURNE, 29 April 2022: Anatara Lifesciences (ASX: ANR), a developer of evidence-based solutions for gastrointestinal diseases in animals and humans, is pleased to provide this activities report for the quarter ending 31 March 2022 (Q3 FY22), along with the Company's Appendix 4C cash flow report.

Commenting on the quarter, CEO Steve Lydeamore said, "We are really pleased with the progress made over the quarter and excited that our clinical trials in 3FDC and GaRP in IBS-D were able to commence in Adelaide. 3FDC trials began following the successful completion of the site initiation visit, and a report on 3FDC in adult participants is expected to be delivered in late 2022.

"The Interim report for the GaRP trial in IBS-D is anticipated to be delivered in August 2022 and the final report in January 2023. Commencement of recruitment in Melbourne is anticipated to occur in May, which will help to accelerate our progress.

"While we are delighted with the response to recruitment activities to date, to further accelerate the progress of the GaRP trial, we are working with the usual regulatory authorities to allow broadening of eligibility to enhance enrolment.

"There are significant market opportunities in addressing irritable bowel syndrome and psychological health issues, while improving individuals' quality of life. There is a high prevalence of these disorders in society. Our human trials are anticipated to be impactful, as we aim towards commercialising our evidence-based solutions. During the quarter we explored opportunities to broaden our gastrointestinal health pipeline, which has yielded a number of attractive opportunities that we are evaluating."



Clinical trials update

IBS-D

The IBS-D study consists of two stages (Stage 1, Stage 2), with an interim analysis between stages. Stage 1 will assess the safety, tolerability and efficacy of two different strengths of GaRP against placebo in a 1:1:1 randomisation protocol. Following interim analysis, one dose will be selected, and the remaining participants recruited in a 1:1 randomisation protocol. Of the 200 planned participants, at least 90 will enrol in stage 1, and 110 participants will enrol in stage 2. For each participant in each stage, the study will last for 12 weeks, including 8 weeks of treatment, preceded by a 2-week screening/baseline period and followed by a 2-week washout period.

CEO Steve Lydeamore commented, "There is a major unmet need and significant market opportunity for an evidence-based complementary medicine for IBS. Anantara's GaRP has demonstrated that it has the potential to manage the devastating symptoms experienced by IBS and IBD patients, by addressing processes that contribute to the pathophysiology of these chronic bowel conditions." Anantara's GaRP complementary medicine is being developed to specifically target two human gastrointestinal disorders, irritable bowel syndrome (IBS) and inflammatory bowel disease (IBD). IBS is the most common GI condition affecting approximately 11% of the global population while IBD affects an estimated five million people globally.

Psychological functioning

Anantara's 3FDC is several of the components of the GaRP (Gastrointestinal reprogramming) complementary medicine. The 3FDC components are coated for targeted release predominately beyond the small intestine to allow delivery and influence in the large intestine. The 3FDC components are anticipated to have direct and indirect effects including assisting the homeostasis of the microbiome. The delivery of these components and the microbiome influences are considered important for gut-brain axis balance, hence the 3FDC components have been selected to explore their effect on depression, anxiety and stress symptoms in otherwise healthy individuals.

CEO Steve Lydeamore commented, "There is a major unmet need and significant market opportunity for an evidence-based complementary medicine for stress, anxiety and depression. According to Beyond Blue a quarter of Australians will experience an anxiety condition in their lifetime. I am excited that Anantara's 3FDC dietary supplement may be of benefit to some of the many who experience these conditions. It is gratifying that Anantara's focus on gut health and integrity has allowed us to capitalise on our research in IBS with the potential to address other conditions that have microbiome considerations, such as those related to the "gut-brain axis" and including immune system inter-relationships. The current study has the potential, not only to help those suffering mood disorders, but to significantly add to our understanding of GaRP in non-IBS participants."

Anantara's 3FDC components have been selected to explore their effect on mood, anxiety and stress in otherwise healthy individuals as the delivery of these components to the large intestine is considered likely to have beneficial effects on the gut-brain axis including positively influencing the homeostasis of the microbiome. Mood/relaxing supplements were 1.3 billion EUR in 2019 (Euromonitor's Health and Nutrition Survey Jan & Feb 2020).¹ About 19 percent of U.S. adults have an anxiety disorder in any given year, and an estimated 31 percent have an anxiety disorder at some time in their lives, and depression is a medical condition that affects about 1 in 10 U.S. adults.² An estimated 38.2% of the population of the EU member states (approximately 165 million people; 2010) met the criteria for a psychiatric disorder, while fewer than one-third received treatment for it (Wittchen et al., 2011).³ 24% of U.S. adults with a mental illness report an unmet need for

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treatment.⁴ 40% or more of Americans treat themselves with complementary and alternative medicine (CAM) without professional supervision, often without disclosing it to their psychiatrist or primary care provider. People considering using CAM treatments need to make an informed decision, just as they would with any synthetic medication or other treatment, weighing the evidence about effectiveness, drug interactions, side effects, and less dangerous options, to come up with a risk/benefit assessment.⁵

¹pharmalineia: <https://pharmalineia.com/wp-content/uploads/2020/01/Stress-supplements-opportunity-news.pdf>

² National Center for Complementary and Integrative Health: <https://www.nccih.nih.gov/health>

³ Wemrell M et. al (2020) Issues in Mental Health Nursing, Volume 41: <https://doi.org/10.1080/01612840.2020.1744203>

⁴ Mental Health America: <https://www.mhanational.org/issues/state-mental-health-america>

⁵ Mental Health America: https://www.mhanational.org/sites/default/files/MHA_CAM.pdf

Summary of Q3 FY22 cashflows

The Company's cash plus term deposits at the end of the quarter stood at \$1.69 million (31 December 2021: \$2.56 million), which comprised cash at bank of \$1.19 million and \$0.50 million in term deposits.

Net cash used in operating activities during the quarter was \$0.81 million. Staff, Admin and Corporate cash outflow of \$0.39 million was 33% lower than the prior quarter.

Aggregate payments to related parties and their associates during the quarter was \$46,000, a reduction of 32%, which includes directors' fees and superannuation.

For more information please contact:

General inquiries	
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About Anantara Lifesciences Ltd

Anantara Lifesciences Ltd (ASX:ANR) is developing and commercialising innovative, evidence-based products for gastrointestinal health where there is significant unmet need. Anantara is a life sciences company with expertise in developing products for human and animal health. Anantara is focused on building a pipeline of human gastrointestinal health products. Underlying this product development program is our commitment to delivering real outcomes for patients and strong value for our shareholders.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Anantara Lifesciences Ltd (ASX: ANR)

ABN

41 145 239 872

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(449)	(917)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	(32)
(d) leased assets	(2)	(7)
(e) staff costs	(262)	(900)
(f) administration and corporate costs	(129)	(649)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	736
1.8 Other (provide details if material)	29	107
1.9 Net cash from / (used in) operating activities	(811)	(1,656)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(7)
(d) investments	(50)	(50)
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	3	3
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	(47)	(54)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(6)
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)	(6)	(13)
3.10	Net cash from / (used in) financing activities	(6)	(19)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,558	3,423
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(811)	(1,656)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(47)	(54)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(6)	(19)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,694	1,694

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,194	1,558
5.2	Call deposits	500	1,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,694	2,558

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	46
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Item 6.1 Reflects amounts paid to directors including director's fees, salaries, superannuation, bonuses and consulting fees (excluding reimbursements).
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Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(811)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,694
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,694
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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.

Date: 29 April 2022



Authorised by: The Board of Anantara Lifesciences Ltd

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.