

Anatara Lifesciences (ANR)

Restore human gut health with GaRP

6 August 2018

Paul Jenz
pjenz@pacpartners.com.au
+613 8633 9864

KEY POINTS

- There are yawning gaps in treatment of gut disorders such as Inflammatory Bowel Disease (IBD – 5m sufferers), and Irritable Bowel Syndrome (IBS – 840m sufferers).
- Over the last 30 years ANR's founders have led the development of a novel natural treatment for gut wall health with bromelain (patented extract from pineapple).
- In May'18 Zoetis signed a global exclusive agreement to develop non-antibiotic control of diarrhoea in livestock.
- ANR has an 18 month programme to allow over the counter sales of human treatment ("GaRP") for IBD/IBS, and is well positioned to sign a global partner in CY'19.

Controlling its destiny

Zoetis global deal validates 30 years of focus

ANR's founder (Dr Tracey Mynott) was part of Victorian University team that isolated enzyme BromelainRx from "throw away" pineapple base 30 years ago. BromelainRx was proven to improve pig gut health and reduce diarrhoea (called scour). Ciba-Geigy/Novartis bought the rights and started selling to Australian pig farmers in 1990. They lost momentum in late 1990's when Novartis closed parts of animal health and sold division. ANR's founders bought back the rights and used technical experience gained from Tracey's US university research and Chairman's emerging biotech commercial skills to improve targeting of gut health.

In May'18 Zoetis signed a global exclusive agreement to develop non-antibiotic control of diarrhoea in livestock and horses with A\$9m of milestone payments and ~3.5% royalty. We forecast this delivers \$14m of EBITDA in long term from 20% market of intensively farmed piglets & chickens. *Note: Zoetis, the #1 global animal healthcare company, does not enter a market unless they can achieve 40% market share.*

Human Irritable Bowel option can be partnered in CY19

There are yawning gaps in treatment of human gut disorders such as Inflammatory Bowel Disease (IBD – 5m sufferers), and Irritable Bowel Syndrome (IBS – 840m sufferers). Natural herbal treatments are being hunted down with Dr Google (450bn hits for "gut health"). Herbal "iberogast" was developed for constipation treatment in 1961, and shot to prominence in 2013 when Bayer bought it for a multiple of its Euro60m sales/annum. We suggest this is not a one-off.

INVESTMENT VIEW –Buy & PT \$1.40/share

We believe ANR is in a stronger position than iberogast with Zoetis deal and human application that builds on 30 years of safety and efficacy data with pigs, and 18 months on human application (with ANR's Dr Tracey Brown). ANR released its next 18 month plan to be ready for Over The Counter sales for IBD/IBS market last month. We estimate that exclusive partner discussion is likely to start in 2HCY'19 with global distribution agreement by mid CY20.

RECOMMENDATION

Buy

Previous Recommendation	Buy
Risk Rating	Very High
Current Share Price	\$0.68
12 Month Price Target	\$1.40
Price Target Methodology	50% of DCF
Total Return (Capital + Yield)	106%
DCF Valuation	\$2.80
Market capitalisation	\$35m
Liquidity – Daily Value	\$0.1m

EPS Changes and PAC Partners vs. Consensus

Y/E Jun (\$m)	FY'19F	FY'19F	FY'20F
Previous EPS (cps)	-5.0	-2.0	3.0
Change in EPS (%)	0%	0%	-33%
Consensus EPS (cps)	-6.0	2.0	4.0
PAC vs Consensus (%)			-33%

Financial Forecasts & Valuation Metrics

Y/e Jun (\$m)	FY'18F	FY'19F	FY'20F	FY'21F
Revenue	0.7	1.6	3.4	6.0
NPAT	-2.1	-2.6	-1.2	1.1
EPS (cps)	-4.2	-5.0	-2.3	2.1
EPS Growth				
DPS (c)	0.0	0.0	0.0	0.0
EV / EBITDA (x)	-9.5	-9.9	-21.7	27.9
PER (x)	-16.0	-13.4	-28.1	33.8
Dividend Yield	0.0%	0.0%	0.0%	0.0%
Gearing	-85%	-76%	-69%	-75%
Cash	7.6	5.0	3.9	5.2

Source: PAC Partners estimates

RISKS

- Small scale at start and earnings may be volatile.
- Zoetis will not be giving out regular news updates, so ANR will be reliant on its own news flow.
- Regulatory approval of Animal Detach® is not guaranteed although an earlier version was approved in 1990's. Australian APVMA approval is pending.
- Outside of Europe, and possibly China, there is little regulatory push for removal of antibiotics. China may ban antibiotics, USA Australia may follow.

SUMMARY SWOT

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • 30 years of focused development, led mainly by founder Dr Tracey Mynott and now Dr Tracey Brown (Chief Development Officer) • Proven performance at commercial scale in Australia in 1990's with piglet, and now Zoetis global agreement • Partners & Cash: Strong industry partners (Zoetis #1 animal health, and human gut health advising companies). \$8.4m cash and plans to partner human application with these funds. 	<ul style="list-style-type: none"> • Small scale at start and earnings may be volatile. ANR is dependent on lumpy milestones to grow cash reserves • Dynamic Executive Chairman had to retire a little early for personal reasons, and ANR is recruiting NEDs with human health partnering experience • Zoetis will not be given out regular news updates, so ANR will be reliant on its own news flow from human application
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Intensively farmed piglet and chicken opportunities are significant and consumers/regulators are pushing for a non-antibiotic solution like Zoetis/ANR's Detach®. • Yawning gaps in treatment of gut disorders such as Inflammatory Bowel Disease (IBD – 5m sufferers), and Irritable Bowel Syndrome (IBS – 840m sufferers). • Other human applications will be targeted after OTC is granted for IBD/IBS. ANR will also develop additional products in future to augment pipeline. 	<ul style="list-style-type: none"> • Regulatory approval of Animal Detach® is not guaranteed although an earlier version was approved in 1990's. Australian APVMA approval is pending. • Outside of Europe, and possibly China, there is little regulatory push for removal of antibiotics. China may ban antibiotics, USA Australia may follow. • Partners ANR is reliant on Zoetis to fast track commercial applications, but has other partners already speaking to them re: Human application.

ANR's human application "GaRP" – timetable to partnering (and OTC sales)

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

Source: ANR strategy update – 18 July 2018

Anatara Life Sciences

Price \$ 0.680

Number of shares 49 m

Market Cap \$34 m

PROFIT & LOSS (A\$m)

Y/End June	FY2015A	FY2016A	FY2017A	FY2018F	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
Revenue	0.0	2.3	0.3	0.7	1.6	3.4	6.0	11.5	24.7	35.9	42.4
EBITDA	-1.9	0.3	-2.0	-2.8	-2.9	-1.4	1.0	6.2	19.2	30.2	36.4
Depreciation & Amortisation	0.0	0.0	0.0	0.0	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
EBIT	-1.9	0.3	-2.0	-2.8	-3.1	-1.6	0.8	6.0	19.0	30.0	36.2
Net Interest	0.1	0.4	0.3	0.6	0.5	0.3	0.2	0.2	0.4	1.1	2.4
Income tax expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NPAT underlying	-1.8	0.7	-1.7	-2.1	-2.6	-1.3	1.0	6.3	19.4	31.1	38.6
Equity Accounting Profits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less non-controlling Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NPAT underlying - attributed to shareholders	-1.8	0.7	-1.7	-2.1	-2.6	-1.3	1.0	6.3	19.4	31.1	38.6
Abnormal items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NPAT Reported.	-1.8	0.7	-1.7	-2.1	-2.6	-1.3	1.0	6.3	19.4	31.1	38.6

BALANCE SHEET (A\$m)

Y/End June	FY2015A	FY2016A	FY2017A	FY2018F	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
Cash	5.6	13.8	10.9	7.6	5.0	3.9	5.2	12.0	32.8	65.0	104.3
PP&E	0.0	0.0	0.0	0.1	0.3	0.5	0.7	0.9	1.1	1.3	1.5
Debtors & Inventory	0.1	0.1	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Intangibles	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	0.0	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9
Total Assets	5.6	13.9	12.3	9.1	6.9	6.1	7.7	14.8	35.9	68.4	108.0
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0.1	0.4	0.2	0.1	0.2	0.3	0.6	1.1	2.5	3.6	4.2
Other Liabilities	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Liabilities	0.1	0.4	0.3	0.2	0.3	0.4	0.7	1.2	2.6	3.7	4.3
NET ASSETS	5.5	13.5	12.0	8.9	6.6	5.7	7.0	13.6	33.3	64.7	103.6
OEI and Pref Shares	-	-	-	-	-	-	-	-	-	-	-
Shareholder Equity	5.5	13.5	12.0	8.9	6.6	5.7	7.0	13.6	33.3	64.7	103.6

Cash Flow (\$Am)

Y/End June	FY2015A	FY2016A	FY2017A	FY2018F	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
Operating EBITDA	(1.9)	0.3	(2.0)	(2.8)	(2.9)	(1.4)	1.0	6.2	19.2	30.2	36.4
Interest & Tax Paid	0.1	0.4	1.6	0.6	0.5	0.3	0.2	0.2	0.4	1.1	2.4
Working Cap.	(0.1)	(1.0)	(1.5)	(0.1)	0.1	0.2	0.3	0.5	1.3	1.1	0.7
Operating CF	(2.0)	(0.3)	(1.9)	(2.2)	(2.4)	(0.9)	1.5	7.0	20.9	32.4	39.5
Maintenance Capex	0.0	0.0	(0.0)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Expansion Capex	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free Cashflow (FCF)	(2.0)	(0.3)	(1.9)	(2.4)	(2.6)	(1.1)	1.3	6.8	20.7	32.2	39.3
Ord & Pref Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity raised	6.4	8.5	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Other	0.1	0.0	0.0	(1.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Cashflow	4.5	8.2	(1.9)	(3.3)	(2.6)	(1.1)	1.3	6.8	20.7	32.2	39.3

Segment Analysis (\$Am)

Y/End June	FY2015A	FY2016A	FY2017A	FY2018F	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
Revenue											
Pig, Poultry and Cows	0.0	0.0	0.0	0.0	0.4	0.9	1.9	4.1	7.6	11.6	14.1
Human	0.0	0.0	0.0	0.0	0.0	0.0	1.6	4.8	14.5	21.8	26.2
Licensing revenue	0.0	2.3	0.3	0.7	1.3	2.5	2.5	2.5	2.5	2.5	2.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Total</i>	<i>0.0</i>	<i>2.3</i>	<i>0.3</i>	<i>0.7</i>	<i>1.6</i>	<i>3.4</i>	<i>6.0</i>	<i>11.5</i>	<i>24.7</i>	<i>35.9</i>	<i>42.4</i>
Gross Margin - all licence revenue											
Pig, Poultry and Cows					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Human							100.0%	100.0%	100.0%	100.0%	100.0%
Licensing revenue				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Total</i>				<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Gross Profit											
Pig, Poultry and Cows	0.0	0.0	0.0	0.0	0.4	0.9	1.9	4.1	7.6	11.6	14.1
Human	0.0	0.0	0.0	0.0	0.0	0.0	1.6	4.8	14.5	21.8	26.2
Licensing revenue	0.0	2.3	0.3	0.7	1.3	2.5	2.5	2.5	2.5	2.5	2.2
<i>Total</i>	<i>0.0</i>	<i>2.3</i>	<i>0.3</i>	<i>0.7</i>	<i>1.6</i>	<i>3.4</i>	<i>6.0</i>	<i>11.5</i>	<i>24.7</i>	<i>35.9</i>	<i>42.4</i>
SG&A	-1.9	-2.0	-2.3	-3.4	-4.5	-4.7	-5.0	-5.2	-5.5	-5.8	-6.1

Anatara Life Sciences

Date: 6-Aug-18
Model Updated: 6-Aug-18

	KEY RATIOS										
Y/End June	FY2015A	FY2016A	FY2017A	FY2018F	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
EBITDA Margin (%)		13.7%	-617.4%	-412.7%	-177.1%	-40.5%	17.0%	54.4%	77.8%	84.0%	85.7%
NPAT Margin (%)		28.5%	-529.5%	-322.4%	-161.1%	-37.1%	17.4%	54.7%	78.7%	86.5%	91.0%
ROE (%) y/e			-14.2%	-24.0%	-39.6%	-22.1%	14.9%	46.2%	58.3%	48.0%	37.3%
ROI (%) y/e			-488.5%	-216.9%							
ROIC (%) Av.			-15.7%	-26.4%	-39.6%	-25.5%	12.9%	58.7%	81.0%	61.1%	43.0%
NTA per share (cps)		0.27	0.24	0.18	0.13	0.11	0.14	0.27	0.67	1.31	2.10
NTA per share (cps)		0.27	0.24	0.18	0.13	0.11	0.14	0.27	0.67	1.31	2.10
Eff Tax Rate (%)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Cover (x)		(0.8)	6.7	4.5	6.7	5.0	(3.7)	(26.4)	(44.0)	(26.7)	(14.8)
Net Gearing (%)		-102.6%	-90.3%	-84.6%	-75.5%	-69.2%	-74.6%	-88.7%	-98.5%	-100.5%	-100.6%

	VALUATION PARAMETERS										
Y/End June	FY2015A	FY2016A	FY2017A	FY2018F	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
EPS Adj (cps)		1.3	-3.3	-4.2	-5.1	-2.4	2.0	12.1	37.5	60.0	74.6
PE Adj (x)		51.7	-19.7	-16.0	-13.4	-28.1	33.8	5.6	1.8	1.1	0.9
Enterprise Value (m)		19.8	22.7	26.0	28.6	29.7	28.4	21.6	0.8	-31.4	-70.7
EV / EBITDA (x)		63.2	-11.4	-9.5	-9.9	-21.7	27.9	3.5	0.0	-1.0	-1.9
EV / EBIT (x)		66.4	-11.4	-9.4	-9.3	-19.0	34.7	3.6	0.0	-1.0	-2.0
Price / NTA		2.5	2.8	3.8	5.1	5.9	4.8	2.5	1.0	0.5	0.3
DPS (cps)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Franking (%)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Free Cash / Share (cps)		0.0	-0.04	-0.05	-0.05	-0.02	0.03	0.13	0.40	0.62	0.76
Price / FCF PS (x)		-122.8	-18.4	-14.2	-13.8	-32.7	27.0	5.2	1.7	1.1	0.9

DCF VALUATION & SENSITIVITY

PV of Cashflows 2018 to 2020	(5.7)	Risk Free Rate	4.0%
PV of Cashflows 2021 to 2025	39.6	Equity Risk Premium	8.5%
PV of Term Year Cashflow	100.1	Equity Beta	1.0
Cash from Options & Equity	0.0	Cost of Equity	12.6%
		After Tax WACC	12.6%
Less Net Debt	10.9	Terminal Growth	3.0%
PV of Equity	144.9		
Number of shares (Fully diluted - FY18)	51.8		
PV of Equity per share	\$ 2.80		

DIRECTORS

	Shares (m)	Shares (m)
Dr Jap Hetzel	0.0	
Dr Tracie Ramsdale	0.0	
Iain Ross	0.0	
Paul Grujic	0.0	
Total	0.0	

MAJOR SHAREHOLDERS

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

GROWTH PROFILE (YoY)

Y/End June	FY2015A	FY2016A	FY2017A	FY2018F	FY2019F	FY2020F	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
Sales (\$m)			-86%	107%	144%	107%	78%	91%	115%	46%	18%
EBITDA inc EAT (\$m)		-116%	-735%	38%	5%	-53%	-175%	513%	207%	57%	21%
EBIT (\$m)		-115%	-772%	38%	12%	-49%	-152%	639%	214%	58%	21%
NPAT (\$m)		-136%	-362%	26%	22%	-52%	-183%	503%	210%	60%	24%
EPS (cps)		-135%	-362%	29%	19%	-52%	-183%	503%	210%	60%	24%
DPS (cps)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

LT Growth	TV WACC			
	14.6%	12.6%	10.6%	8.6%
2.0%	\$ 2.01	\$ 2.60	\$ 3.50	\$ 5.01
2.5%	\$ 2.07	\$ 2.69	\$ 3.67	\$ 5.35
3.0%	\$ 2.13	\$ 2.80	\$ 3.86	\$ 5.76
3.5%	\$ 2.20	\$ 2.91	\$ 4.08	\$ 6.24
4.0%	\$ 2.27	\$ 3.04	\$ 4.33	\$ 6.82

CONTACT INFORMATION

CORPORATE FINANCE	RESEARCH	DEALING
CRAIG STRANGER Managing Director <i>cstranger@pacpartners.com.au</i> 03 8633 9832	PAUL JENSZ Executive Director, Research <i>pjensz@pacpartners.com.au</i> 03 8633 9864	JAMES WILSON Executive Director, Institutional Sales – Sydney <i>jwilson@pacpartners.com.au</i> 02 9134 9111
SEAN KENNEDY Corporate Finance <i>skennedy@pacpartners.com.au</i> 03 8633 9836	ANDREW SHEARER Senior Analyst <i>ashearer@pacpartners.com.au</i> 03 8633 9862	PHIL CAWOOD Institutional Sales – Sydney <i>pcawood@pacpartners.com.au</i> 02 9134 9122
ANTHONY STANI Corporate Finance <i>astani@pacpartners.com.au</i> 03 9618 8251	ALEX SMITH Analyst <i>asmith@pacpartners.com.au</i> 03 8633 9865	MARK PASHLEY Head of Sale Trading – Sydney <i>mpashley@pacpartners.com.au</i> 02 9134 9177
BROOKE PICKEN COO <i>bpicken@pacpartners.com.au</i> 03 8633 9831	LAWRENCE GRECH Analyst <i>lgrech@pacpartners.com.au</i> 0404 052 913	SEBASTIAN JURD Senior advisor – Sydney <i>sjurd@pacpartners.com.au</i> 02 9134 9155
ROGER CHEN Analyst <i>rchen@pacpartners.com.au</i> +852 2544 1408		RYAN GALE Advisor – Melbourne <i>rgale@pacpartners.com.au</i> 03 8633 9833
		TOM FAIRCHILD Corporate Sales – Melbourne <i>tfairchild@pacpartners.com.au</i> 03 8633 9867
SYDNEY Kyle House, 27 – 31 Macquarie Place, Sydney +61 2 9233 9600		IAN LEETE Corporate Sales – Sydney <i>ileete@pacpartners.com.au</i> 02 9134 9144
MELBOURNE (Head Office) Level 10, 330 Collins Street, Melbourne +61 3 8633 9831		DANIEL GADALLA Desk Assistance – Melbourne <i>dgadalla@pacpartners.com.au</i> 03 8633 9834
Hong Kong Upper Ground Floor, 148 Queens Road Central +0011 852 041169 7866		SOL JONES Operator – Sydney <i>sjones@pacpartners.com.au</i> 02 9134 9199

RECOMMENDATION CRITERIA

Investment View

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

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

Buy	Hold	Sell
>20%	20% – 5%	<5%

Risk Rating

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

Disclosure of Economic Interests

The views expressed in this research report accurately reflect the personal views of Paul Jensz about the subject issuer and its securities.

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

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

Disclaimer

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

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

Disclosure of Corporate Involvement

PAC Partners is on a Research retainer with the Company described in this report and received fees on commercial terms for its services. PAC Partners does not own securities of the Company described in this report. PAC Partners associates may own securities of the Company described in this report. PAC Partners does and seeks to do business with companies covered in the research. PAC may receive commissions from dealing in securities. As a result, investors should be aware that PAC Partners may have a conflict of interest that could affect the objectivity of this report.

For more information about PAC Partners please visit www.pacpartners.com.au