



Annual Report 2023

# Antisense Therapeutics Limited

## Appendix 4E

### Annual Report

### Year Ended 30 June 2023

Name of entity

ABN

Year Ended

Antisense Therapeutics Limited

41 095 060 745

30 June 2023

(Previous corresponding year: 30 June 2022)

#### Results for Announcement to the Market

The results of Antisense Therapeutics Limited for the Year Ended 30 June 2023 are as follows:

Revenues	up	10.26%	to	384,923
Loss after tax attributable to members	up	(95.81)%	to	11,379,828
Net Loss for the period attributable to members	up	(95.81)%	to	11,379,828

#### **Explanation of Results**

The Company reported a loss for the full-year ended 30 June 2023 of \$11,379,828 (30 June 2022: \$5,811,810) including expenses relating to issue of options "share-based payments" of \$214,053 (30 June 2022: \$124,417). The loss is after fully expensing all research and development costs (including those related to the manufacture of clinical development supplies) deployed in successfully advancing the clinical development of ATL1102 for DMD to Phase IIB trial.

For further details relating to the current period's results, refer to the contained within this document.

#### **Dividends**

No dividends have been paid or declared by the Company since the beginning of the current reporting period. No dividends were paid for the previous reporting period.

#### **Net Tangible Assets Per Share**

	<b>2023</b>	<b>2022</b>
Net tangible assets (\$)	20,933,825	21,141,439
Shares (No.)	669,314,536	668,793,978
Net tangible assets per share (cents)	3.13	3.16
	<b>2023</b>	<b>2022</b>
Basic loss per share (cents)	(1.70)	(0.92)
Diluted loss per share (cents)	(1.70)	(0.92)

Net tangible are defined as net assets of the Company which include both Right-of-Use assets and corresponding lease liabilities as per the introduction from 01 July 2019, of AASB16: "Leases"

#### **Status of Audit of Accounts**

The Appendix 4E is based on accounts which have been audited. The audit report is included within the annual report which accompanies this Appendix 4E.

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# Letter from the Chair

Dear Shareholders

I begin this annual letter by acknowledging our ongoing shareholder support over the FY23, a year in which Antisense Therapeutics (ANP) has experienced significant change and seen positive progress, albeit against the challenging macro-economic climate in 2023 where the S&P/ASX 200 Health Care Index (ASX: XHJ) is down 0.073% while the broader ASX200 is up 6.6%. The ANP share price has not escaped the downward pressure on share price widely experienced across our sector. I am proud that even against this sobering backdrop, the ANP board and management team has stepped up delivering on a commitment to attracting high quality talent to meet our business challenges. I thank both our outgoing CEO Mark Diamond and Regulatory lead Nuket Desem for their prior efforts and welcome those that joined during FY 2023: Dr. Anthony Filippis, Chief Commercial Officer, our new clinical development lead Dr. Andrew McKenzie and incoming Managing Director and Chief Executive Officer Dr. James Garner who collectively bring a wealth of industry experience.

I also wish to take this opportunity to offer my gratitude to fellow board members Drs Gary Pace (resigned Nov 2022) and Gil Price, for their valuable insights and contribution. Over the past year the Board provided guidance and input on strategy, key initiatives, and prudent capital management, directly enabling the progress of ATL1102 within our available financial means.

Much was achieved during the year. Importantly financial stewardship of the Company remained strong. The cash position as of 30th June 2023 was \$10,967 million. The increase in the Company's activities, particularly for clinical trial preparation, raised annual expenditure. We will remain vigilant regarding cost control and maintaining a strong balance sheet to support our aspirations.

On the research front, under the direction of Dr George Tachas, two studies to further understand the biological mechanism and clinical potential of ATL1102 were initiated, namely a) mouse study ATL1102 in combination with an antisense oligonucleotide (ASO) to CD49d and a dystrophin restoration agent for the treatment of Duchenne muscular dystrophy and b) a study to investigate the effects of an antisense oligonucleotide (ASO) to CD49d in a mouse model of dysferlin deficiency for the potential treatment of Limb Girdle Muscular Dystrophy R2. The results of these two studies, if translatable to the human condition, offer exciting new clinical opportunities which are under strategic consideration.

Critical progress on advancing ATL1102 was also achieved during FY2023. Firstly, the nine-month chronic money toxicology study was initiated, an important step for continued clinical development under the regulatory jurisdiction of the FDA and secondly, the Phase IIb clinical study in non-ambulant boys with DMD was started and



dosing was commenced. These two events represented a significant effort by the ANP team and together are expected to significantly move the program forward. We are grateful to the clinical investigators, under the leadership of Principal Investigator, Professor Thomas Voit, and the advisors on our Data Safety Monitoring Board, chaired by Dr. Michaela Guglieri, for their support of ATL1102.

We are indebted to the patients and their families already enrolled in the Phase IIb study and over the next year we will be enhancing our interactions with and support of the DMD patient advocacy groups.

The next 12 to 18 months are potentially transformative for the company as we expect to report on the chronic toxicology study as well as the current clinical trial. These two events will define the path towards regulatory approval, and we will remain laser focused on delivering these milestones. Pivotal to our longer-term future is our ability to continue financially fund our programs. The emphatic support from our institutional investors and shareholders is encouraging but we appreciate the importance of relationships and collaborations with global pharmaceutical partners, and we look forward to being able to update the market on these efforts at the appropriate time.

Our commitment to communicating with the market and our shareholders will continue. In addition to the mandatory company news disclosures, we will host webinars and webcasts and make more use of social media and face to face shareholder briefings to share our strategic plans.

In conclusion, the company, with its experienced team and global high-quality investigator network is well positioned to perform and conduct its clinical trial program in DMD to ultimately provide a new, potentially life-changing treatment for the DMD community.



# Operations Report

## Overview of Company's Activities

Antisense Therapeutics Limited ("the Company" or "Antisense Therapeutics") continued its focus on advancing its antisense oligonucleotide products under development. The following report on operations details the research and development activities undertaken by the Company in the period.

### Partnership with Ionis Pharmaceuticals Inc.

Antisense Therapeutics has world-wide exclusive licenses to use two antisense compounds (ATL1102 and ATL1103) for all disease indications via its partnership with Ionis Pharmaceuticals Inc (Ionis). As the leader in RNA-targeted drug discovery and development, Ionis has created an efficient, broadly applicable, drug discovery platform that has the potential to treat the untreatable. Ionis currently has three marketed medicines and a premier late-stage pipeline highlighted by industry leading neurological and cardiometabolic franchises.

The partnership with Ionis provides Antisense Therapeutics with access to Ionis antisense intellectual property and drug development expertise to facilitate the development and commercialization of the Company's antisense compounds. In turn Ionis receives a share of product commercialization proceeds received by Antisense Therapeutics.

### ABOUT ATL1102

ATL1102 is an antisense inhibitor of CD49d, a subunit of VLA-4 (Very Late Antigen-4). Antisense inhibition of VLA-4 expression has demonstrated activity in a number of animal models of inflammatory disease including asthma and MS with the MS animal data having been published in a peer reviewed scientific journal. ATL1102 was shown to be highly effective in reducing MS lesions in a Phase IIa clinical trial in RR-MS patients. The ATL1102 Phase IIa clinical data has been published in the medical Journal Neurology (Limmroth, V. et al Neurology, 2014; 83(20): 1780-1788).

### ATL1102 for Duchenne muscular dystrophy (DMD)

The Company is undertaking clinical development of ATL1102 in patients with Duchenne Muscular Dystrophy (DMD). Duchenne muscular dystrophy (DMD) is an X-linked disease that affects 1 in 3600 to 5000 live male births (Bushby et al, 2010). DMD occurs as a result of mutations in the dystrophin gene which causes a defect in the protein or reduction or absence of the dystrophin protein. Children with DMD have dystrophin deficient muscles and are susceptible to contraction induced injury to muscle which triggers the immune system which exacerbates muscle damage (Pinto Mariz, 2015). Ongoing deterioration in muscle strength affects lower limbs leading to impaired mobility, and also affects upper limbs, leading to further loss of function and self-care ability. The need for wheelchair use can occur in early teenage years, with respiratory, cardiac, cognitive dysfunction also emerging. With no intervention, the mean age of life is approximately 19 years. The management of the inflammation associated with DMD is currently via the use of corticosteroids, which have insufficient efficacy and significant side effects.

A key challenge in the management of DMD patients is to reduce the inflammation that exacerbates the muscle fibre damage. It has been reported in scientific literature that patients with DMD who have a greater number of T cells with high levels of CD49d (ATL1102's biological target) on their surface have more severe and rapid disease progression. ATL1102 is being developed as a novel treatment for the inflammation that exacerbates muscle fibre damage in DMD patients for which the current available treatment is corticosteroids. Corticosteroids have a range of serious side effects when used for a prolonged period as required in DMD. As a consequence, there is an acknowledged high need for new therapeutic approaches for the treatment of inflammation associated with DMD.



The Company conducted an open label six-month dosing trial of ATL1102 in nine non-ambulant patients with DMD aged between 10 and 18 years at the neuromuscular centre of the Royal Children's Hospital (RCH) which operates the largest clinic in the southern hemisphere treating children with DMD. The Company announced the successful results of the ATL1102 Phase II DMD trial. The primary endpoint was met with confirmation of the drug's safety and activity. Notably positive effects across a range of secondary endpoints of disease progression were also reported, supporting the ongoing clinical development of ATL1102 in DMD.

## Progress

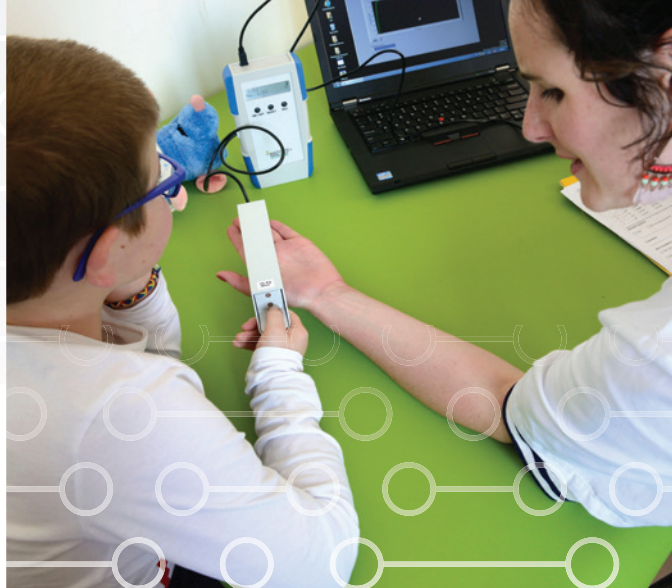
### Phase IIb Clinical - ATL1102 in DMD

During the period, the Company announced that it had revised its clinical trial plans and intended to conduct a double-blind, placebo controlled six-month dosing trial of ATL1102 followed by a six-month open label phase (collectively the 'Phase IIb' trial) in non-ambulant boys with DMD. The primary endpoint of PUL2.0 will be assessed after six months of treatment.

The trial is expected to enrol 45 participants from multiple sites in Europe and Australia and will involve a six-month regimen of either placebo, 25 mg or 50 mg of ATL1102 once weekly via subcutaneous injection. Following this, participants will continue into a further six-month extension treatment period, with placebo patients randomised to either the 25 mg or 50 mg ATL1102 groups.

The revised trial design brings forward the definitive reporting of unblinded and statistically analysed trial data following the completion of the initial randomized blinded six-month dosing period and has allowed for the opportunity to incorporate Australian sites alongside key trial centres in Europe. This provides the important benefit of continuity of working with Australian investigators who were involved in the conduct of the previous successful Phase II clinical trial of ATL1102 in DMD. The addition of Australian trial sites is expected to facilitate a significantly greater proportion of the trial costs as being eligible for the R&D tax incentive cash rebate, which should have a material impact on reducing the cash requirements for the conduct of the study.

The new strategy allows the Company to confirm drug efficacy through the rigor of the placebo-controlled trial design so as to allow for discussion with regulators for potential fast tracking into registration phase or potential accelerated approval, pending trial outcomes.



The Company has now received approvals from the regulatory authorities in Turkey, Bulgaria, Australia and the UK.

Recruitment has commenced and the and the first participant was randomised and dosed with ATL1102 or Placebo in Turkey on 06 June 2023. This first patient was enrolled by Professor Haluk Topaloglu MD, Yeditepe University Kosuyolu Hospital Istanbul, Turkey.

### DMD combination therapy study

Post period the Company released positive initial data from a Duchenne muscular dystrophy (DMD) mdx animal study investigating the potential for ATL1102 in combination with a dystrophin exon skipping restoration drug.

The combination therapy of antisense oligonucleotide (ASO) to CD49d and the dystrophin restoration agent showed statistically significant effects on the specific maximum force of the extensor digitorum longus muscle and the eccentric muscle force remaining following induced damage to the muscle compared to saline control. The study results suggest the potential for ATL1102 in combination with dystrophin restoration drugs to improve therapeutic outcomes in DMD patients. Further investigations are ongoing to determine the possible mechanisms by which the combination approach is providing the observed functional benefits.

A provisional patent application titled "Combination Compositions and Methods for Treatment of Muscular Dystrophy" has been filed to cover the use of the ASO to CD49d and the morpholino exon skipping drug combination to seek protection of the combination of ATL1102 with the dystrophin restoration/exon skipping drugs to 2044, well beyond the patent life of the registered dystrophin restoration drugs. Further investigations are ongoing with the assessment of muscle dystrophin levels and other cellular markers.

# Operations Report *continued*

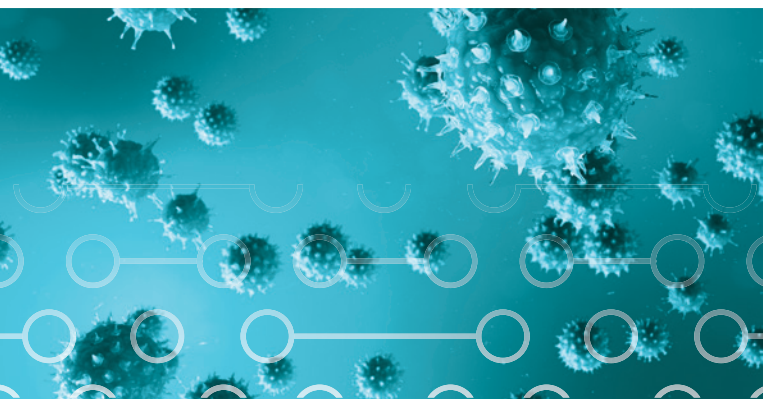
## Long COVID-19 study

The Company completed a successful world first Long COVID-19 study that identified novel blood markers as potential targets for the diagnosis and treatment of the neurological deficits of Long COVID e.g. brain fog measured using established memory tests. A subset of the study results have been included in a scientific publication pre-print.

*T cell responses to SARS-CoV-2 in people with and without neurologic symptoms of long COVID* Lavanya Visvabharathy, Barbara A. Hanson, Zachary S. Orban, Patrick H. Lim, Nicole M. Palacio, Millenia Jimenez, Jeffrey R. Clark, Edith L. Graham, Eric M. Liotta, George Tachas, Pablo Penaloza-MacMaster, Igor J. Koralnik.

Recent scientific publications report that neurological symptoms remain a major feature of Long COVID with cognitive impairment identified in approximately a quarter of subjects at 12 months post SARS-CoV2 infection. *Long COVID: major findings, mechanisms and recommendations*, Hannah E. Davis, Lisa McCorkell, Julia Moore Vogel & Eric J. Topol – *Nature Reviews Microbiology* volume 21, pages133-146 (2023).

The Company has continued exploring interest in licensing/commercialising our Long Covid-19 Intellectual Property (IP). Discussions include an ongoing dialogue with a diagnostic company on a potential development collaboration. Australian patent application 2023900242 was lodged in February entitled “Biomarkers and uses thereof” following discussions with the diagnostic company that continue. We continue to work collaboratively with Professor Koralnik and with his input and his team’s assistance have prepared a scientific manuscript on some of the key research findings for submission to a high impact scientific journal. We are also exploring other potential collaborations including with Research Institutes trialing new therapies for subjects with Neural Long Covid, with these groups expressing interest in accessing our IP for use as a companion diagnostic in the development of their potential treatments.



## Ongoing engagement with DMD community, investors and pharmaceutical companies

The Company continued its communication and active engagement with key opinion leaders, patients advocacy groups, potential collaborators, investors and commercial partners as a key operational priority. During the period the Company presented and participated at the following events:

- Broker, Institutional and Sophisticated Investor presentation – Melbourne, 13 July 2022
- Australian Equities Day Webinar – Singapore, 28 July 2022
- Collaboration with DMD Hub, United Kingdom on clinical trial site selection – August 2022, ongoing
- US IR and Media engagements – August – September 2022
- Webinar overview of the ATL1102 for DMD Revised Clinical Plans announcement – 7 September 2022
- Jett Foundation – Duchenne Awareness Day – Sponsor – 7 September 2022
- US Institutional virtual roadshow – various dates October, November, December 2022
- US IR and Media engagements - October - December 2022
- Biotech & Medical Devices Webinar – Singapore, 3 November 2022
- Annual General Meeting Presentation – Melbourne, 17 November 2022
- Attendance at the JP Morgan Healthcare Week – San Francisco, USA, 9 – 11 January 2023
- US Institutional virtual roadshow – various dates January, February, March 2023
- Clinical Trial Presentation at the Duchenne Parent Project aps XX International Conference on Duchenne and Becker Muscular Dystrophy – 18 February 2023
- Biotech Day, Spark Plus – Singapore, 24 February 2023
- US IR and Media engagements – January – March 2023
- Presentation at Parent Project Muscular Dystrophy (PPMD) 9<sup>th</sup> Annual Conference (29 June to 1 July 2023)



## **ATL1102 in ambulant DMD and fibrotic conditions Limb Girdle Muscular Dystrophy R2 (LGMDR2)**

There are no approved treatments for LGMDR2. Having successfully demonstrated target drug activity (reducing target and immune cell RNA in muscle) using an antisense oligonucleotide to CD49d (mouse equivalent of ATL1102) in a dysferlin mutation animal model, during the period the Company advanced its planning for a chronic mouse study to assess key disease progression endpoints. Mice with the dysferlin mutation and disease characteristics have been sourced via Jain Foundation in the US.

In February 2023 the Company commenced the second phase of its study to investigate the effects of an antisense oligonucleotide (ASO) to CD49d in a mouse model of dysferlin deficiency. The chronic study will assess the longer duration treatment effects on disease progression endpoints, including reduction in muscle adipose levels. The study is being conducted in collaboration with the Murdoch Children's Research Institute in Melbourne and the Jain Foundation in the USA. In this blinded and controlled study, mice are being treated for four months with results to follow mid-2023.

LGMDR2, or dysferlinopathy, is a rare genetic muscle disease caused by mutations in the dysferlin gene, leading to a reduction or absence of dysferlin protein levels in muscle fibers. To date, no treatments have proven to be beneficial in slowing LGMDR2 disease progression. Antisense Therapeutics' use of ATL1102 as a treatment for dysferlinopathy is covered in its patent application PCTAU2020/050445, which is directed at modifying muscle performance by reducing muscle adiposity.

The Company expects to be eligible to apply for additional market exclusivity protection via Orphan Drug Designation in the US and Europe if the outcomes from this chronic study in the dysferlin deficient animal model are positive. The company is looking forward to the results of the follow-on study, which, if positive, could support advancement into a future clinical trial in patients with dysferlinopathy.

### **ATL1102 Toxicology Study**

In the period the Company advised that it had initiated the process to conduct a nine-month chronic monkey toxicology study of ATL1102 at Contract Research Organisation (CRO) Pharmaron to support the advancement of the ATL1102 program in the US for Duchenne muscular dystrophy or any other clinical application of ATL1102.



In March 2023 the Company announced the start of the nine-month chronic monkey toxicology study of ATL1102 DMD. Successful completion of the toxicology study is expected to be the final requisite step for the US Food and Drug Administration (FDA) to allow dosing of ATL1102 for a term longer than 6 months in the US. Successful completion of the nine-month chronic monkey toxicology study should also allow the Company to apply for expedited program status with the FDA including Fast Track or potential Breakthrough Therapy designation. US FDA has already granted ATL1102 an Orphan Drug Designation and a Rare Pediatric Disease Designation for the treatment of DMD. The reporting of key study findings in 1H'24 is around the same time as the six-month dosing results from the ATL1102 in DMD Phase IIb clinical study are expected which could then allow the Company to share with FDA and other regulatory bodies a compelling data package encompassing the Phase IIb study clinical results along with the outcomes from the nine-month toxicology study for potential discussions with the regulators on accelerated regulatory pathways to registration.

As of week, ending 30 June 2023, 16 (of 40) doses had been administered and tolerated. Dosing of all animals is on track to be completed by December 2023 with study outcomes expected to be reported in the first half of 2024. Successful completion of the toxicology study is necessary for the FDA to allow dosing of ATL1102 for a term longer than six months in the US.



# Operations Report *continued*

## Board & Management

Following completion of the executive recruitment process undertaken by the Company following the AGM in 2022, the Board appointed Dr James Garner MBBS MBA as Chief Executive Officer (CEO) and Managing Director (MD). Dr Garner joined the Board as non-executive director on 8 May 2023 ahead of assuming the roles of Managing Director & CEO as of 7 August 2023. To ensure a smooth transition in the interim, Charmaine Gittleston assumed the role of Executive Chair.

Non-Executive Director of the Company, Dr Gary Pace, retired from the Board of Directors following completion of his director term at the 2022 Annual General Meeting.

The Company strengthened its leadership team with the appointment of Anthony Filippis as the Company's Chief Commercial Officer in October 2022.

## R&D Tax Incentive

In October 2022, the Company advised that it had received from the Australian Taxation Office an R&D Tax Incentive refund payment of \$909,040 and in February 2023 the Company received a further \$872,506. The amounts received were in relation to the expenditure incurred on eligible R&D activities undertaken in Australia & Overseas for the 2021/2022 financial year.

## Financial Position

At 30 June 2023, the Company had cash reserves (including Term Deposits) of \$10,967,259 (2022: \$19,233,183).

## Events After The Balance Sheet Date

### Capital Raising & SPP

On 18 July 2023, the Company announced it had raised \$8.35m in an oversubscribed institutional placement under the company's discretionary placement capacity in accordance with ASX Listing Rule 7.1 and 7.1A. The placement was substantially supported by the Company's major shareholder, Platinum Asset Management, on behalf of Platinum International Health Care Fund and Platinum World Portfolios Plc - Platinum World Portfolios Health Sciences Fund, as cornerstone investor subscribing for \$4 million as well as other institutional and sophisticated investors subscribing for the balance. In addition, on 21 August 2023 the Company announced it had raised \$3.26m from a share purchase plan (SPP).

The new funds facilitate advancing the ongoing international Phase IIb Clinical Trial ATL1102 program in Duchenne muscular dystrophy, as well as for ongoing working capital. In relation to the clinical program the funding will support all randomised patients receiving six months of treatment, with Placebo or 25 mg or 50 mg ATL1102, the primary efficacy and safety endpoint analysis, and the transition of the patients into the extension phase where they all receive a further six months of 25 mg or 50 mg ATL1102. Additionally, the funding will be applied to regulatory agency engagement, patient advocacy and corporate development interactions.

# Intellectual Property Report

Antisense Therapeutics has 13 patent families with 39 patents registered and 29 patent applications filed pending examination covering its two antisense drugs ATL1102 and ATL1103 in their applications. Antisense Therapeutics also has additional to patents (and applications), orphan drug designation (ODD) for ATL1102 in DMD and ATL1103 in acromegaly in the US and Europe, with the potential to apply for ODD in other countries which upon registration of the drug would provide commercial exclusivity in the US and Europe and other countries.<sup>1</sup>

Since reporting on the status of the Company's intellectual property portfolio in the 2022 Annual Report the Company has expanded its patent portfolio as follows:

- Australian provisional application 2023900242 was filed covering combination compositions of ATL1102 and dystrophin exon skipping restoration drug in the treatment of DMD to protect the invention to 2044.
- Canadian Patent 2,811,228 has been registered covering ATL1102 in reductions of circulating leukocytes covering applications including ATL1102 in the treatment of DMD to protect the invention to 2031.
- International application PCT/AU2022/051129 was filed covering evaluating ATL1102 effects on plasma proteins (proteomics) in inflammation, fibrosis and muscle regeneration, for applications in new potential disease settings.
- Australian patent 2016/051059 is now registered and European patent 16861126.7 has now been registered in France, Germany, Italy, Spain and the UK covering the use of ATL1102 for mobilizing leukemia cells in the treatment of acute myeloid leukemia (AML) to protect the invention to 2036.
- US provisional applications 63/398350 and 63/398363 were filed covering methods of treating and treating plus diagnosing neurological post-acute sequelae (NPASC) of COVID-19.
- Australian provisional application 2023900242 and US provisional application 63/398345 was filed covering biomarkers for use in the diagnosis of NPASC of COVID-19 to protect the invention to 2044.

The progress outlined above has added important intellectual property to our portfolio. Patents have been registered for new applications and patent applications filed in countries in numerous regions of the globe to support Antisense Therapeutics commercialisation plans for its antisense drugs.

Country	Patent application or Patent No.	Current Status	Expiry
<b>ATL1103 Combination with Somavert Patents</b>			
International	PCT/AU2013/000095	National Phase Applications	
Australian	2013214698	Patent Registered	2033*
Canada	2863499	Patent Registered	2033
Europe	13743020.3	Regional Phase – Granted. Patent registered in the 10 European countries below	
Denmark		Patent Registered	2033*
Finland		Patent Registered	2033*
France		Patent Registered	2033*
Germany		Patent Registered	2033*
Italy		Patent Registered	2033*
Spain		Patent Registered	2033*
Sweden		Patent Registered	2033*
Switzerland		Patent Registered	2033*
The Netherlands		Patent Registered	2033*
United Kingdom		Patent Registered	2033*
Japan	2014-555044	Patent Registered	2033*
New Zealand	629004	Patent Registered	2033*

# Intellectual Property Report *continued*

Country	Patent application or Patent No.	Current Status	Expiry
<b>ATL1103 Combination with Somavert Patents <i>continued</i></b>			
USA	9,717,778	Patent Registered	2033*
USA	9,821,034	Patent Registered	2033*
<b>ATL1103 Combination with Somatostatin agonist Patents</b>			
International	PCT/AU2014/000613	International Phase	
Australian	2014280847	Patent Registered	2034*
Canada	2918787	Under Examination	2034
Europe	14810926.7	Regional Phase – Granted. Patent registered in the 10 European countries above to 2034*	2034*
Japan	2016-518801	Patent Registered	2034*
New Zealand	715825	Patent Registered	2034
USA	17/516543	Under Examination	2034*
<b>ATL1103 and serum IGF-I reduction Patents**</b>			
USA	8,299,039	Patent Registered	2024**
USA	7,846,906	Patent Registered	2024**
<b>ATL1103 GHBP reduction Patents</b>			
USA	9,371,530	Patent Registered	2024**
USA	9,988,635	Patent Registered	2024**
<b>ATL1102 MS Patent Portfolio**</b>			
<b>ATL1102 MS active brain lesion reduction Patents</b>			
International	PCT/US2009/003760	National Phase applications	
Australia	AU 2009271678	Patent Registered	2029*
Canada	2,728,562	Patent Registered	2029
Japan	2014-208153 (Divisional of 2011-5516297)	Patent Registered	2029*
USA	8,415,314	Patent Registered	2029*
USA	8,759,314	Patent Registered	2029*
<b>ATL1102 MS hypointense brain lesion reduction Patent</b>			
International	PCT/AU2018/050598	National Phase applications	
Australia	AU2018286483	Under Examination	2038*
Canada	3067193	Under Examination	2038
Europe***	18,816,566	Under Examination	2038*
New Zealand	760,076	Under Examination	2038
USA	16/622,820	Under Examination	2038*
<b>ATL1102 Methods of reducing circulating leukocytes patents and application</b>			
Australia	2011301712	Patent Registered	2031*
Canada	2811228	Patent Registered	2031
USA	9,885,048	Patent Registered	2031*

Country	Patent application or Patent No.	Current Status	Expiry
<b>ATL1102 Therapeutic uses and methods (for treating DMD) patent applications</b>			
US Continuation – in part	16/404561	Under Examination	2039*
International	PCT/AU2018/051353	National Phase Applications	2039
Australia	2018421460	Under Examination	2039*
Brazil	BR 11 2020 022519 3	Under Examination	2039
Canada	3098912	Under Examination	2,039
China	201880095236.4	Under Examination	2039*
Europe***	18917201.8	Under Examination	2039*
Hong Kong	18917201.8	Filed	2039*
Japan	2021-510492	Under Examination	2039*
South Korea	10-2020-7035006	Under Examination	2039*
New Zealand	769597	Under Examination	2039
<b>ATL1102 Therapeutic uses and methods (for treating Muscular Dystrophy) patent applications</b>			
International	PCT/AU2020/050445	National Phase Applications	2040
Australia	2020269078	Under Examination	2040*
Brazil	BR 11 2021 022208 1	Under Examination	2040
Canada	3,138,945	Under Examination	2040
China	202080049373.1	Under Examination	2040*
Hong Kong	62022061663	Filed	
Europe***	20801836.8	Under Examination	2040*
Japan	2021-566041	Under Examination	2040*
South Korea	2021-7039906	Under Examination	2040*
New Zealand	783065	Filed	2040
USA	17/609334	Under Examination	2040*
<b>ATL1102 Methods and Kits therefor (for evaluating) therapeutic antisense CD49d inhibition in inflammation, fibrosis, and muscle regeneration</b>			
Australian Provisional application	2021903024	Pre- International Phase	
International	PCT/AU2022/051129	Filed	2042
<b>ATL1102 Methods of mobilizing leukemia cells (for treating AML)</b>			
International	PCT/AU 2016/051059	National Phase applications	
Australia	2016/051059	Patent Registered	2036*
Canada	3007424	Under Examination	2036
Europe	16861126.7	Patent Registered	2036*
France		Patent Registered	2036*
Germany		Patent Registered	2036*
Italy		Patent Registered	2036*
Spain		Patent Registered	2036*
United Kingdom		Patent Registered	2036*
USA	15/971938	Patent Registered	2036*



# Intellectual Property Report *continued*

Country	Patent application or Patent No.	Current Status	Expiry
<b>Biomarkers and uses thereof (for neurological post acute sequelae of COVID 19 (NPASC))</b>			
USA	63/398345	Pre- International Phase	2043
Australian Provisional application	2023900376	Pre- International Phase	2044
<b>Methods of treating neurological post acute sequelae of COVID 19 (NPASC)</b>			
USA	63/398350	Pre- International Phase	2043
<b>Methods of diagnosing and treating neurological post acute sequelae of COVID 19 (NPASC)</b>			
USA	63/398363	Pre- International Phase	2043
<b>Combination compositions and methods for treatment of Muscular Dystrophy</b>			
Australian Provisional application	2023900242	Pre- International Phase	2044

\* Potential for up to 5 year extensions to the patent term once the product is a registered drug.

\*\* For ATL1103 cases with expiry of 2024 note orphan drug designation (ODD) and commercial exclusivity<sup>1</sup>.

\*\*\* Designates all member states of European patent countries including all extension states.

<sup>1</sup> Antisense Therapeutics Limited has orphan drug designation (ODD) and pediatric use for ATL1102 in DMD and ODD for ATL1103 in acromegaly in the US and Europe and can also apply for ODD for ATL1102 and ATL1103 in other countries. Additional to the patent protection, registration of an orphan drug would then provide commercial exclusivity of ATL1102 for 7.5 years in the US in DMD and 12 years in Europe from approval for ATL1102 in DMD for pediatric use and ATL1103\*\* for 7 years in the US and 10 years in Europe from approval for ATL1103 in acromegaly, with potential to another 7 years protection in the USA and 10 years in Europe for other orphan drug indications like for ATL1102 in LGMDR2. For ATL1102 as a new chemical entity in other indications commercial exclusivity is 5 years in the US, and 10 years in Europe, with the potential to extend 3 years in the US and 1 year in Europe for a new non-orphan indication. Commercial exclusivity protection (data exclusivity and market exclusivity) post market approval of ATL1102 or ATL1103\*\* is also available in the other countries above, excluding Brazil, with between 5 to 8 years of protection as a new chemical entity.

# Directors' Report

## Directors

The Board of Directors of Antisense Therapeutics Limited present their report at the end of, or during, the Year Ended 30 June 2023. In order to comply with the provisions of the *Corporations Act 2001*, the Board of Directors report as follows:

### Dr Charmaine Gittleson MD, BSc, AICD, *Independent Non-Executive Chair*

<b>Appointed to the Board</b>	22 March 2021
<b>Experience</b>	<p>Dr Gittleson has extensive international experience as a pharmaceutical physician and enterprise leader in pharmaceutical drug development, governance and risk management gained during her 15-year tenure (2005-2020) with global specialty biotechnology company CSL Limited (ASX: CSL). During her time at CSL, Dr Gittleson had at various times accountability for clinical research, medical safety, medical and patient related ethics for development and on market programs, providing leadership in strategic product development, planning and implementation across multiple therapeutic and rare disease areas. Dr Gittleson held the key leadership roles of: Senior Director, Head Safety and Clinical Development (2006-2010) in Melbourne Australia; Vice President Clinical Strategy (2010-2013) and Senior Vice President Clinical Development (2013-2017) in Pennsylvania United States; and Chief Medical Officer in Melbourne from 2017 until her recent retirement from corporate roles in 2020.</p> <p>Dr Gittleson commenced her role as Chair on 28 July, 2021.</p>
<b>Interest in shares &amp; options</b>	133,333 ordinary shares and 6,667 options over ordinary shares.
<b>Committees</b>	Chair of Remuneration Committee; Member of other Audit Committee and Nominating and Governance Committee.
<b>Directorships held in other listed entities</b>	Patrys Limited (ASX:PAB) – Appointed on 16 November 2022.
<b>Directorships previously held in other listed entities</b>	Nil

### Dr James Garner, *Director, Chief Executive Officer*

<b>Appointed to the Board</b>	8 May 2023
<b>Experience</b>	<p>James brings broad experience in drug development and commercialisation, acquired through regional and global roles in the biotech and pharmaceutical sector. His previous responsibilities have included leading phase I-IV clinical trials, product registration, reimbursement, and business development. He possesses strong executive leadership and management skills that have seen him achieve outstanding results over a twenty-year career in the Pharmaceutical/Biotechnology industry including roles with Biogen, Takeda, Quintiles (an international clinical research organisation) and as Head of the Unit Development Office, AP R&amp;D with Sanofi in Singapore. Most recently James has served as CEO of Kazia Therapeutics Limited (ASX:KZA; NASDAQ:KZIA), a clinical-stage, oncology-focused company where James rebuilt the organisation around a pipeline of novel assets and attracted significant financing via capital markets and non-dilutive opportunities.</p>
<b>Interest in shares &amp; options</b>	300,000 ordinary shares
<b>Committees</b>	Nil
<b>Directorships held in other listed entities</b>	Nil
<b>Directorships previously held in other listed entities</b>	Kazia Therapeutics (ASX:KZA) – Resigned 1 May 2023.

# Directors' Report *continued*

## Dr Ben Gil Price, Independent Non-Executive Director

<b>Appointed to the Board</b>	4 October 2021
<b>Experience</b>	<p>Dr Price is an experienced biotech executive and entrepreneur with depth of expertise across clinical asset investment strategy, evaluation, financing and execution. Additional leadership experience within R&amp;D, Medical, and strategic corporate functions and between November 2021 and January 2023 was Neurobo Pharmaceuticals, President and CEO.</p> <p>Prior to joining Neurobo, Dr Price was Chief Medical Officer of the pharmacovigilance team at ProPharma Group, a global industry leader in comprehensive compliance services that span the entire lifecycle of pharmaceuticals, biologics, and devices. Dr Price was previously responsible for the strategic and tactical management of all business at Drug Safety Solutions. After a successful 20-year history, Drug Safety Solutions was acquired in June 2017 by Linden Capital Partners. From June 2017 to January 2020, Dr Price served as the Chief Medical Officer for the global ProPharma Group, a Linden subsidiary.</p> <p>Over the years Dr Price has served on multiple corporate boards, including public. His most recent experience, Rexahn Pharmaceuticals, Inc. (NYSE American: RNN) he served on Compensation, Governance, and Business Development. In his previous role with Sarepta Therapeutics NASDAQ: SRPT, he helped to guide the company transition from \$80 million market (2008) to its 2019 market cap of \$8.4 billion.</p>
<b>Interest in shares &amp; options</b>	599,805 shares and 1,000,000 options over ordinary shares.
<b>Committees</b>	Interim Chair of Audit Committee; Member of other Remuneration Committee and Nominating and Governance Committee.
<b>Directorships held in other listed entities</b>	Nil
<b>Directorships previously held in other listed entities</b>	Rexahn Pharmaceuticals Inc. (NASDAQ: REXN). Resigned November 2020.

## Mr Mark Diamond BSc, MBA, Managing Director

<b>Appointed to the Board</b>	31 October 2001
<b>Experience</b>	<p>Mark Diamond has over 30 years' experience in the pharmaceutical and biotechnology industry. Before joining Antisense Therapeutics Limited as MD and CEO in 2001, Mr. Diamond was employed in the US as Director, Project Planning/Business Development at Faulding Pharmaceuticals. Prior to this he held the positions of Senior Manager, Business Development and In-licensing within Faulding's European operation based in the UK and International Business Development Manager with Faulding in Australia.</p>
<b>Interest in shares &amp; options</b>	4,893,722 ordinary shares and 14,479,961 options over ordinary shares.
<b>Committees</b>	Nil
<b>Directorships held in other listed entities</b>	Nil
<b>Directorships previously held in other listed entities</b>	Nil

## Mr Phillip Hains, Joint Company Secretary and Chief Financial Officer

<b>Appointed</b>	9 November 2006
<b>Experience</b>	<p>Phillip Hains is a Chartered Accountant operating a specialist public practice, The CFO Solution, now part of Acclime Australia. The CFO Solution focuses on providing back office support, financial reporting and compliance systems for listed public companies. A specialist in the public company environment, Mr Hains has served the needs of a number of company boards and their related committees. He has over 30 years' experience in providing businesses with accounting, administration, compliance and general management services.</p>

## Principal Activities

The principal activity of Antisense Therapeutics Limited during the financial year was the research and development of novel antisense pharmaceuticals.

## Dividends

No dividends have been paid or declared since the end of the previous financial year, nor do the Directors recommend the declaration of a dividend.

## Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company during the year.

## Significant Events After the Balance Date

On 18 July 2023, the Company announced it had raised \$8.35m in an oversubscribed institutional placement under the company's discretionary placement capacity in accordance with ASX Listing Rule 7.1 and 7.1A. The placement was substantially supported by the Company's major shareholder, Platinum Asset Management, on behalf of Platinum International Health Care Fund and Platinum World Portfolios Plc – Platinum World Portfolios Health Sciences Fund, as cornerstone investor subscribing for \$4 million as well as other institutional and sophisticated investors subscribing for the balance.

In addition, on 21 August 2023 the Company announced it had raised \$3.26m from a share purchase plan (SPP).

There have been no other significant events occurring after the balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

## Likely Developments & Expected Results

The likely developments in the Company's operations, to the extent that such matters can be commented upon, are covered in the 'Operations Report'.

## Operating & Financial Review

The net loss after tax of the Company for Year Ended 30 June 2023 was \$11,379,828 (30 June 2022 loss: \$5,811,810) including expenses relating to the issue of options "share-based payments" \$214,053 (30 June 2022: \$124,417).

This result has been achieved after fully expensing all research and development costs (including those related to the manufacture of clinical development

supplies) deployed in successfully advancing the clinical development of ATL1102 for DMD towards clinical trial.

The Company had a cash reserve of \$10,967,259 at 30 June 2023 (30 June 2022: \$19,233,183).

The 'Operations Report' provides further details regarding the progress made by the Company since the prior financial period, which have contributed to its results for the year.

## Risk Management

The Board is responsible for overseeing the establishment and implementation of the risk management system, and to review and assess the effectiveness of the Company's implementation of that system on a regular basis.

The Board and senior management will continue to identify the general areas of risk and their impact on the activities of the Company. The potential risk areas for the Company include:

- efficacy, safety and regulatory risk of pre-clinical and clinical pharmaceutical development;
- financial position of the Company and the financial outlook;
- economic outlook and share market activity;
- changing government policy (Australian and overseas);
- competitors' products/research and development programs;
- market demand and market prices for therapeutics;
- environmental regulations;
- ethical issues relating to pharmaceutical research and development;
- the status of partnership and contractor relationships;
- other government regulations including those specifically relating to the biotechnology and health industries; and
- occupational health and safety and equal opportunity law.

Management will continue to perform a regular review of the following:

- the major risks that occur within the business;
- the degree of risk involved;
- the current approach to managing the risk; and
- where appropriate, determine:
  - any inadequacies of the current approach; and
  - possible new approaches that more efficiently and effectively address the risk.



## Biotechnology Companies – Inherent Risks

### Pharmaceutical Research & Development (R&D)

Pharmaceutical R&D involves scientific uncertainty and long lead times. Risks inherent in these activities include uncertainty of the outcome of the Company's research results; difficulties or delays in development of any of the Company's drug candidates; and general uncertainty related to the scientific development of a new medical therapy.

The Company's drug compounds require significant pre-clinical and human clinical development prior to commercialisation, which is uncertain, expensive and time consuming. There may be adverse side effects or inadequate therapeutic efficacy of the Company's drug candidates which would prevent further commercialisation. There may be difficulties or delays in the manufacturing or testing of any of the Company's drug candidates. There may also be adverse outcomes with the broader clinical application of the antisense technology platform which could have a negative impact on the Company's specific drug development and commercialisation plans.

No assurance can be given that the Company's product development efforts will be successful, that any potential product will be safe and efficacious, that required regulatory and pricing reimbursement approvals will be obtained, that the Company's products will be capable of being produced in commercial quantities at an acceptable cost or at all, that the Company will have access to sufficient capital to successfully advance the products through development or to find suitable development or commercial partners for the development and/or commercialisation of the products and that any products, if introduced, will achieve market acceptance.

### Additional Capital Requirements

Pharmaceutical R&D activities require a high level of funding over a long period of time to complete the development and commercialisation of pharmaceutical products. There is no assurance that additional funding will be available to the Company in the future or be secured on acceptable terms. If adequate funds are not available, the Company's business will be materially and adversely affected. If the Company is unable to access capital to continue the development of its products, then this could adversely impact on the collaboration and licensing agreement with Ionis. If the Company is unable to meet certain performance obligations, it may lead to a dispute with Ionis. Unresolved disputes may in turn lead to potential termination of the license granted by Ionis to the Company to exploit relevant products, with the relevant product rights then returning to Ionis.

### Partnering & licensing

Due to the significant costs in drug discovery and development it is common for biotechnology companies to partner with larger biotechnology or pharmaceutical companies to help progress drug development. While the Company has previously entered into such licensing agreements with pharmaceutical partners, there is no guarantee that the Company will be able to maintain such partnerships or license its products in the future. There is also no guarantee that the Company will receive back all the data generated by or related intellectual property from its licensing partners. In the event that the Company does license or partner the drugs in its pipeline, there is no assurance as to the attractiveness of the commercial terms nor any guarantee that the agreements will generate a material commercial return for the Company.

### Regulatory Approvals

Complex government health regulations, which are subject to change, add uncertainty to obtaining approval to undertake clinical development or obtaining marketing and pricing reimbursement approval for pharmaceutical products.

Delays may be experienced in obtaining such approvals, or the regulatory authorities may require repeat of different or expanded animal safety studies or human clinical trials, and these may add to the development cost and delay products from moving into the next phase of drug development and up to the point of entering the market place. This may adversely affect the competitive position of products and the financial value of the drug candidates to the Company.

There can be no assurance that regulatory clearance will be obtained for a product or that the data obtained from clinical trials will not be subject to varying interpretations. There can be no assurance that the regulatory authorities will agree with the Company's assessment of future clinical trial results or with the suitability of the Company's regulatory submissions for clinical trial, early access or product marketing approval as applicable.

### Competition

The Company will always remain subject to the material risk arising from the intense competition that exists in the pharmaceutical industry. A material risk therefore exists that one or more competitive products may be in human clinical development now or may enter into human clinical development in the future. Competitive products focusing on or directed at the same diseases or protein targets as those that the Company is working on may be developed by pharmaceutical companies or other antisense drug companies including Ionis or any of its other collaboration

partners or licensees. Such products could prove more efficacious, safer, more cost effective or more acceptable to patients than the Company product. It is possible that a competitor may be in that market place sooner than the Company and establish itself as the preferred product.

## Technology & Intellectual Property Rights

Securing rights to technology and patents is an integral part of securing potential product value in the outcomes of pharmaceutical R&D. The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. There can be no assurance that any patents which the Company has in licensed or may own, access or control will afford the Company commercially significant protection of its technology or its products or have commercial application, or that access to these patents will mean that the Company will be free to commercialise its drug candidates. The granting of a patent does not guarantee that the rights of others are not

infringed or that competitors will not develop technology or products to avoid the Company's patented technology or try to invalidate the Company's patents, or that it will be commercially viable for the Company to defend against such potential actions of competitors.

Accordingly, investment in companies specialising in drug development must be regarded as highly speculative. The Company strongly recommends that professional investment advice be sought prior to such investments.

## Environmental Regulation and Performance

The Company is involved in pharmaceutical research and development, much of which is contracted out to third parties, and it is the Director's understanding that these activities do not create any significant/material environmental impact. To the best of the Company's knowledge, the scientific research activities undertaken by, or on behalf of, the Company are in full compliance with all prescribed environmental regulations.

## Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Board Meetings		Meetings of committees			
	No. eligible to attend	No. attended	Audit		Remuneration*	
			No. eligible to attend	No. attended	No. eligible to attend	No. attended
Dr Charmaine Gittleson	11	11	3	3	1	1
Mr Mark Diamond	9	9	-	-	-	-
Dr Ben Gil Price	11	11	3	3	-	-
Dr James Garner	3	3	-	-	-	-
Dr Gary W Pace	2	2	1	1	1	1

## Committee Membership

As at the date of this report the Company had an Audit Committee and Remuneration Committee, with membership of the committees as follows:

	Audit Committee	Remuneration Committee	Nominating & Governance Committee
Chair	Dr Ben Gil Price	Dr Charmaine Gittleson	N/A
Members	Dr Charmaine Gittleson N/A	Dr Ben Gil Price N/A	Dr Ben Gil Price Dr Charmaine Gittleson

## Indemnification & Insurance of Directors & Officers

Under the Company's constitution:

- (a) To the extent permitted by law and subject to the restrictions in section 199A and 199B of the Corporations Act 2001, the Company indemnifies every person who is or has been an officer of the Company against any liability (other than for legal costs) incurred by that person as an officer of the Company where the Company requested the officer to accept appointment as Director.

# Directors' Report *continued*

## Indemnification & Insurance of Directors & Officers *continued*

(b) To the extent permitted by law and subject to the restrictions in sections 199A and 199B of the *Corporations Act 2001*, the Company indemnifies every person who is or has been an officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the Company.

The Company has insured its Directors, the Company Secretaries and executive officers for the financial year ended 30 June 2023 under the Company's Directors' and Officers' Liability Insurance Policy, the Company cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium. Accordingly, the Company relies on section 300(9) of the *Corporations Act 2001* to exempt it from the requirement to disclose the nature of the liability insured against and the premium amount of the relevant policy.

The Company also has in place a Deed of Indemnity, Access and Insurance with each of the Directors. This Deed:

- (1) indemnifies the Director to the extent permitted by law and the Constitution against certain liabilities and legal costs incurred by the Director as an officer of any Group Company;
- (2) requires the Company to maintain, and pay the premium for, a D&O Policy in respect of the Director; and
- (3) provides the Director with access to particular papers and documents requested by the Director for a Permitted Purpose,

both during the time that the Director holds office and for a seven year period after the Director ceases to be an officer of any Group Company, on the terms and conditions contained in the Deed.

## Indemnification of Auditors

### Ernst & Young

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst and Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst and Young during or since the financial year.

## 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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

## Share Options on Issue as at the Date of the Report

### Unissued Shares

The unissued ordinary shares of Antisense Therapeutics Limited under option as at the date of this report were:

Class	Date of Expiry	Exercise Price	No. Under Option
ANPAA	22 December 2023	\$0.08	8,000,000
ANPAB	22 December 2023	\$0.145	35,000,000
ANPAC	18 March 2025	\$0.185	4,000,000
ANPAD	18 March 2025	\$0.27	10,500,000
ANPAF	20 December 2024	\$0.48	83,384,886

## Auditor Independence and Non-Audit Services

### Auditor's Independence Declaration

The Auditors Independence Declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 has been received and can be found in the 'Auditor's Independence Declaration' section of this Annual Report.

### Non-Audit Services

The following non-audit services were provided by the entity's auditor, Ernst and Young. 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.

Ernst and Young received or are due to receive the following amounts for the provision of non-audit services:

	2023 \$	2022 \$
Tax compliance services	14,000	22,940
	<b>14,000</b>	<b>22,940</b>

## Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest dollar, unless otherwise stated.

## Remuneration Report (Audited)

### 1. Remuneration Report Overview

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company as required by the *Corporations Act 2001* and its Regulations.

This report details the nature and amount of remuneration of each Director of Antisense Therapeutics Limited and all other Key Management Personnel.

For the purposes of this report, Key Management Personnel (KMP) 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.

This report details the nature and amount of remuneration for each Director of Antisense Therapeutics Limited, and for the other Key Management Personnel.

Name	Position
<b>Directors:</b>	
Dr Charmaine Gittleson	Independent Non-Executive Chair
Dr Ben Gil Price	Independent Non-Executive Director
Dr James Garner	Director, Chief Executive Officer (Commenced: 8 May 2023)
Mr Mark Diamond	Managing Director (Retired: 12 May 2022)
Dr Gary Pace	Independent Non-Executive Director (Retired: 17 November 2022)
<b>Other key management personnel:</b>	
Dr George Tachas	Director, Drug Discovery & Patents
Dr Anthony Filippis	Chief Commercial Officer (Commenced: 17 November 2022)
Mr Phillip Hains	Joint Company Secretary and Chief Financial Officer
Ms Nuket Desem	Director, Clinical & Regulatory Affairs (Resigned: 5 May 2023)

### 2. Principles Used to Determine the Nature and Amount of Remuneration

#### (A) REMUNERATION POLICY

The Remuneration Policy ensures that Directors and Senior Management are appropriately remunerated having regard to their relevant experience, their performance, the performance of the Company, industry norms/standards and the general pay environment as appropriate. The Remuneration Policy has been established to enable the Company to attract, motivate and retain suitably qualified Directors and Senior Management who will create value for shareholders.

#### (B) REMUNERATION POLICY VERSUS COMPANY PERFORMANCE

The Company's Remuneration Policy is not directly based on the Company's earnings. Prior to the year ended 30 June 2023, the Company's earnings had remained negative since inception due to the nature of the Company. Shareholder wealth reflects this speculative and volatile market sector. No dividends have ever been declared by the Company.

The Company continues to focus on the research and development of its intellectual property portfolio with the objective of achieving key development and commercial milestones in order to add further Shareholder value.

The Company's performance over the previous five financial years is as follows:

Net loss financial year 2023	\$11,379,828
Net loss financial year 2022	\$5,811,810
Net loss financial year 2021	\$8,060,639
Net loss financial year 2020	\$5,908,202
Net loss financial year 2019	\$2,944,499

The Company's share price over the previous five financial years is as follows:

30 June 2023	\$0.059
30 June 2022	\$0.075
30 June 2021	\$0.195
30 June 2020	\$0.074
30 June 2019	\$0.045



# Directors' Report *continued*

## Remuneration Report (Audited) *continued*

### 2. Principles Used to Determine the Nature and Amount of Remuneration *continued*

#### (C) THE REMUNERATION COMMITTEE

The Remuneration Committee of the Board of Directors of Antisense Therapeutics Limited is responsible for overseeing the Remuneration Policy of the Company and for recommending or making such changes to the policy as it deems appropriate.

#### (D) NON-EXECUTIVE DIRECTOR REMUNERATION

##### Objective

The Remuneration Policy ensures that Non-Executive Directors are appropriately remunerated having regard to their relevant experience, individual performance, the performance of the Company, industry norms/standards and the general pay environment as appropriate.

##### Structure

The Company's Constitution and the ASX Listing Rules specify that the aggregate remuneration of

Non-Executive Directors shall be determined from time to time by a General Meeting. An amount (not exceeding the amount approved at the General Meeting) is determined by the Board and then divided between the

Non-Executive Directors as agreed. The latest determination was at the General Meeting held on 13 November 2001 when shareholders approved the aggregate maximum sum to be paid or provided as remuneration to the Directors as a whole (other than the Managing Director and Executive Directors) for their services as \$500,000 per annum.

In the year ended 30 June 2023, the Non-Executive Directors were remunerated in aggregate \$154,326 per annum, including superannuation.

The manner in which the aggregate remuneration is apportioned amongst Non-Executive Directors is reviewed periodically.

The Board is responsible for reviewing its own performance. Board, and Board committee performance, is monitored on an informal basis throughout the year with a formal review conducted during the financial year.

No retirement benefits are payable other than statutory superannuation, if applicable.

#### (E) EXECUTIVE DIRECTOR & EXECUTIVE OFFICER REMUNERATION

##### Objective

The Remuneration Policy ensures that Executive Directors are appropriately remunerated having regard to their relevant experience, individual performance, the performance of the Company, industry norms/standards and the general pay environment as appropriate.

##### Structure

The Non-Executive Directors are responsible for evaluating the performance of the Managing Director, who in turn evaluates the performance of the other Senior Executives. The evaluation process is intended to assess the Company's business performance, whether long-term strategic objectives are being achieved and the achievement of individual performance objectives.

The performance of the Managing Director and Senior Executives is monitored on an informal basis throughout the year and a formal evaluation is performed annually.

##### Fixed Remuneration

Executives' fixed remuneration comprises salary and superannuation and is reviewed annually by the Managing Director, and in turn, the Remuneration Committee or the full Board. This review takes into account the Executives' experience, performance in achieving agreed objectives and market factors as appropriate.

##### Variable Remuneration STI & LTI

The Company does not have a formal STI or LTI plan for KMP, however the Board has discretion on the award of short-term and long-term incentives based on the overall performance of the Company and its primary activities.

The Company did not award any short term or long term incentives in 2023 and 2022.

### 3. Details of Remuneration

The remuneration for each Director and each of the other Key Management Personnel of the Company during the Year Ended 30 June 2023 was as follows:

30 June 2023	Short-term employee benefits		Post-employment Benefits	Long-term Benefits	Share-Based Payments	Total \$
	Cash salary & fees \$	Short term incentive	Pension & Super Contribution \$	Long Service Leave \$	Options \$	
Directors						
Dr Charmaine Gittleston	144,327	-	14,933	-	-	159,260
Dr Ben Gil Price <sup>(1)</sup>	73,686	-	-	-	18,337	92,023
Dr James Garner <sup>(6)</sup>	8,845	-	929	-	24,030	33,804
Mr Mark Diamond <sup>(4)</sup>	541,670	-	24,623	-	-	566,293
Dr Gary Pace <sup>(1) (3)</sup>	36,657	-	-	-	-	36,657
	805,185	-	40,485	-	42,367	888,037
Other Key Management Personnel						
Dr George Tachas	258,166	-	29,130	520	-	287,816
Dr Anthony Filippis	195,385	-	19,864	79	133,350	352,063
Mr Phillip Hains <sup>(2)</sup>	160,279	-	-	-	-	160,279
Ms Nuket Desem <sup>(5)</sup>	329,683	-	22,380	-	-	348,679
	943,513	-	71,374	599	133,350	1,148,836
	1,748,698	-	111,859	599	175,717	2,036,873

<sup>(1)</sup> The US Directors are paid USD\$50,000 per annum for FY2023.

<sup>(2)</sup> Remunerated through The CFO Solution (see Section 5 below and the Company Secretary details for further detail).

<sup>(3)</sup> Resigned on 17 November 2022.

<sup>(4)</sup> Resigned on 12 May 2023.

<sup>(5)</sup> Resigned on 5 May 2023.

<sup>(6)</sup> Options subject to shareholder approval.

The remuneration for each Director and each of the other Key Management Personnel of the Company during the Year Ended 30 June 2022 was as follows:

30 June 2022	Short-term employee benefits		Post-employment Benefits	Long-term Benefits	Share-Based Payments	Total \$
	Cash salary & fees \$	Short term incentive	Pension & Super Contribution \$	Long Service Leave \$	Options \$	
Directors						
Dr Charmaine Gittleston	50,000	-	5,000	-	-	55,000
Dr Ben Gil Price <sup>(1)</sup>	51,066	-	-	-	62,208	113,274
Mr Mark Diamond	432,700	140,000	27,450	5,484	-	605,634
Dr Gary Pace <sup>(1)</sup>	68,415	-	-	-	-	68,415
Mr Robert W Moses <sup>(2)</sup>	28,147	-	2,815	-	-	30,962
Dr Graham Mitchell <sup>(2)</sup>	19,984	-	1,734	-	-	21,718
Mr William Goolsbee <sup>(1) (2)</sup>	33,989	-	-	-	-	33,989
	684,300	140,000	36,999	5,484	62,208	928,991
Other Key Management Personnel						
Dr George Tachas	253,990	32,000	25,343	3,295	-	314,628
Ms Nuket Desem	258,942	25,000	24,607	17,765	-	326,314
Mr Phillip Hains <sup>(3)</sup>	149,000	-	-	-	-	149,000
	661,932	57,000	49,950	21,060	-	789,942
	1,346,232	197,000	86,949	26,544	62,208	1,718,933

<sup>(1)</sup> The US Directors are paid USD\$50,000 per annum.

<sup>(2)</sup> Resigned on 15 December 2021.

<sup>(3)</sup> Remunerated through The CFO Solution (see Section 5 below and the Company Secretary details for further detail).

# Directors' Report *continued*

## Remuneration Report (Audited) *continued*

### 4. Share-Based Compensation

#### SHAREHOLDINGS

The number of shares in the Company held during the financial year by each Director and other Key Management Personnel of the Company, including their personally related parties, are set out below. No shares were granted to Directors and Key Management Personnel during the period as compensation.

30 June 2023	Balance at start of the year	Granted as Compensation	Options Exercised	Net Change Other	Balance at the end of the year
<b>Directors</b>					
Dr Charmaine Gittleston	133,333	-	-	-	133,333
Dr Ben Gil Price <sup>(3)</sup>	-	-	-	599,805	599,805
Dr James Garner <sup>(3)</sup>	-	-	-	300,000	300,000
Mr Mark Diamond <sup>(4)</sup>	4,893,722	-	-	-	4,893,722
Dr Gary Pace <sup>(2)</sup>	1,236,138	-	-	-	1,236,138
	<b>6,263,193</b>	<b>-</b>	<b>-</b>	<b>899,805</b>	<b>7,162,998</b>
<b>Other Key Management Personnel</b>					
Dr George Tachas	2,263,566	-	-	-	2,263,566
Dr Anthony Fillipis <sup>(5)</sup>	-	-	-	-	-
Mr Phillip Hains <sup>(1)</sup>	7,611,631	-	-	-	7,611,631
Ms Nuket Desem <sup>(6)</sup>	48,680	-	-	-	48,680
	<b>9,923,877</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,057,227</b>
	<b>16,187,070</b>	<b>-</b>	<b>-</b>	<b>899,805</b>	<b>17,220,225</b>

<sup>(1)</sup> Remunerated through The CFO Solution (see Section 5 below and the Company Secretary details for further detail).

<sup>(2)</sup> Resigned on 17 November 2022.

<sup>(3)</sup> Shares purchased on market.

<sup>(4)</sup> Resigned on 12 May 2023.

<sup>(5)</sup> Issued as part of Remuneration package.

<sup>(6)</sup> Resigned on 05 May 2023.

#### OPTIONS & RIGHTS

The number of options over ordinary shares in the Company held during the financial year by each Director of Antisense Therapeutics Limited and other Key Management Personnel of the Company, including their personally related parties, are set out below:

30 June 2023	Balance at start of the year	Granted as Compensation	Options Exercised	Net Change Other	Total	Total vested at end of the year
<b>Directors</b>						
Dr Charmaine Gittleston	6,667	-	-	-	6,667	6,667
Dr Ben Gil Price	1,000,000	-	-	-	1,000,000	1,000,000
Mr Mark Diamond	14,479,961	-	-	-	14,479,961	14,479,961
Dr James Garner <sup>(2)</sup>	-	6,690,000	-	-	6,690,000	-
Dr Gary Pace <sup>(4)</sup>	7,000,000	-	-	-	7,000,000	7,000,000
	<b>22,486,628</b>	<b>6,690,000</b>	<b>-</b>	<b>-</b>	<b>29,176,628</b>	<b>22,486,628</b>
<b>Other Key Management Personnel</b>						
Dr George Tachas	2,193,673	-	-	-	2,193,673	2,193,673
Ms Nuket Desem	2,004,774	-	-	-	2,004,774	2,004,774
Dr Anthony Fillipis <sup>(3)</sup>	-	5,500,000	-	-	5,500,000	5,500,000
Mr Phillip Hains <sup>(1)</sup>	1,460,922	-	-	-	1,460,922	1,460,922
	<b>5,659,369</b>	<b>5,500,000</b>	<b>-</b>	<b>-</b>	<b>11,159,369</b>	<b>11,159,369</b>
	<b>28,145,997</b>	<b>12,190,000</b>	<b>-</b>	<b>-</b>	<b>40,335,997</b>	<b>33,645,997</b>

<sup>(1)</sup> Remunerated through The CFO Solution (see Section 5 below and the Company Secretary details for further detail).

<sup>(2)</sup> Number of options expected to be granted upon shareholder approval.

<sup>(3)</sup> Issued under the Company's ESOP and are 100% vested at time of issue.

<sup>(4)</sup> Subsequent to being a KMP, Dr. Pace exercised 2,000,000 options

## OPTIONS

Grant date	Expiry date	Vesting date	Exercise price (\$)	No. of options	Share price at grant date (\$)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option (\$)	Vested %
19-03-2021	18-03-2025	19-03-2023	0.185	66,680	0.205	120.28%	0.00%	0.110%	0.1605%	100
19-03-2021	18-03-2025	19-03-2023	0.270	266,720	0.205	120.28%	0.00%	0.110%	0.1514%	100
21-12-2022	20-12-2024	21-12-2022	0.480	1,000,000	0.0895	87.63%	0.00%	3.185%	0.0100%	100
21-12-2022	18-03-2025	21-12-2022	0.185	2,000,000	0.0895	92.68%	0.00%	3.185%	0.0313%	100
21-12-2022	18-03-2025	21-03-2022	0.185	2,500,000	0.0895	92.68%	0.00%	3.185%	0.0243%	100
09-05-2023	07-08-2028	07-08-2024	0.070	1,672,500	0.0720	109.20%	0.00%	3.155%	0.0564%	-
09-05-2023	07-08-2028	07-08-2025	0.070	1,672,500	0.0720	109.20%	0.00%	3.155%	0.0564%	-
09-05-2023	07-08-2028	07-08-2026	0.070	1,672,500	0.0720	109.20%	0.00%	3.155%	0.0564%	-
09-05-2023	07-08-2028	07-08-2027	0.070	1,672,500	0.0720	109.20%	0.00%	3.155%	0.0564%	-
				<b>12,523,400</b>						

No options were granted for the year ended 30 June 2022.

The Company recognised for KMP \$175,717 in share-based payment expense in the statement of profit or loss (30 June 2022: \$62,208) for options granted during the current and prior years. In addition, the Company further recognised \$24,030 for options that are expected to be granted (subject to shareholder approval) within share-based payments for the financial year ending 30 June 2023.

The Company recognised a total of \$214,053 of share-based payment expense in the statement of profit or loss (30 June 2022: \$124,417). The total vested and exercisable options for the year ended 30 June 2023 is 140,886,886 (30 June 2022: 54,333,200).

The terms and conditions of each grant of options affecting remuneration during the year 30 June 2022 are as follows:

Grant date	Expiry date	Vesting date	Exercise price (\$)	No. of options	Share price at grant date (\$)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option (\$)	Vested %
19-03-2021	18-03-2025	19-03-2021	0.185	1,066,660	0.205	120.28%	0.00%	0.110%	0.1605	100
19-03-2021	18-03-2025	19-03-2022	0.185	66,660	0.205	120.28%	0.00%	0.110%	0.1605	100
19-03-2021	18-03-2025	19-03-2023	0.185	66,680	0.205	120.28%	0.00%	0.110%	0.1605	-
19-03-2021	18-03-2025	19-03-2021	0.270	4,266,640	0.205	120.28%	0.00%	0.110%	0.1514	100
19-03-2021	18-03-2025	19-03-2022	0.270	266,640	0.205	120.28%	0.00%	0.110%	0.1514	100
19-03-2021	18-03-2025	19-03-2023	0.270	266,720	0.205	120.28%	0.00%	0.110%	0.1514	-
				<b>6,000,000</b>						

The share based payment announced to the market on 19 March 2021, was granted in recognition of prior years' performance and was fully vested upon issue to Key Management Personnel. The grant of option is in line with industry standards.



# Directors' Report *continued*

## Remuneration Report (Audited) *continued*

### 5. Employment Contracts of Key Management Personnel

At the date of this report, the employment conditions of the Managing Director, Dr James Garner and other Key Management Personnel were formalised in contracts of employment.

Dr James Garner is employed under a contract which commenced 8 May 2023. This contract provides for a notice period of six months by either party.

Dr George Tachas is employed under a contract which commenced 17 November 2001. A subsequent amendment to this contract provided a notice period of between one month and two months depending on the party ending the contract.

Mr Anthony Fillipps is employed under a contract which commenced 16 September 2022. This contract provides for a notice period of three months by either party.

Antisense Therapeutics Limited has a contract with The CFO Solution, a specialist public practice, focusing on providing back office support, financial reporting and compliance systems for listed public companies. Through this contract the services of Mr Phillip Hains are provided. The contract commenced on 9 November 2006 and can be terminated with three months' notice of either party.

Mr Mark Diamond was employed under a contract, which commenced on 31 October 2001. Subsequent to this contract a notice period for Mr Diamond of six months was negotiated depending upon the party ending the agreement. Mr Mark Diamond retired from the Company effective 12 May 2023.

Ms Nuket Desem was employed under a full time employment agreement which commenced 1 May 2022. This contract provides for a notice period of one month by either party. Ms Nuket Desem resigned from the Company effective 5 May 2023.

### 6. Additional Information

#### (A) EQUITY ISSUED AS PART OF REMUNERATION FOR THE YEAR ENDED 30 JUNE 2023

During the financial year ended 30 June 2023, no options have been exercised by KMP when they were acting as a KMP. 5,500,000 options were granted and fully vested to Key Management Personnel. A further 6,690,000 options are expected to be granted (subject to shareholder approval) to the Managing Director and CEO.

#### (B) LOANS TO DIRECTORS & OTHER KEY MANAGEMENT PERSONNEL

There were no loans made to Directors or Other Key Management Personnel of the Company, including their personally related parties.

#### (C) OTHER TRANSACTIONS WITH OTHER KEY MANAGEMENT PERSONNEL

Transactions between Key Management Personnel are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Signed in accordance with a resolution of the Directors.

Dr Charmaine Gittleson  
*Independent Non-Executive Chair*

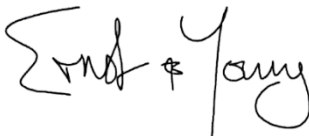


Dated: **This day 25<sup>th</sup> day of August 2023**

## Auditor's Independence Declaration to the Directors of Antisense Therapeutics Limited

As lead auditor for the audit of the financial report of Antisense Therapeutics Limited for the financial year ended 30 June 2023, I declare 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;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.



Ernst & Young



Matt Biernat  
Partner  
25 August 2023

# Corporate Governance

Antisense Therapeutics Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Antisense Therapeutics Limited has reviewed its corporate governance practices against the *Corporate Governance Principles and Recommendations* (4<sup>th</sup> edition) published by the ASX Corporate Governance Council.

The 2023 corporate governance statement is dated as at 30 June 2023 and reflects the corporate governance practices in place throughout the 2023 financial year. The 2023 corporate governance statement was approved by the board on 25 August 2023. A description of the group's current corporate governance practices is set out in the group's corporate governance statement which can be viewed [www.antisense.com/investorrelations/corporate-governance](http://www.antisense.com/investorrelations/corporate-governance)

# Statement of Profit or Loss & Other Comprehensive Income

For the Year Ended 30 June 2023

	Notes	2023 \$	2022 \$
Interest from external parties	2	384,923	34,178
Other income	2	1,579,849	1,777,904
		<b>1,964,772</b>	<b>1,812,082</b>
Depreciation expenses		(95,199)	(89,218)
Administrative expenses	3	(2,837,231)	(2,794,017)
Occupancy expenses		(2,991)	(2,803)
Patent expenses		(33,035)	(65,680)
Research and development expenses	3	(10,162,466)	(4,535,094)
Foreign exchange gains/(losses)		8,529	(755)
Finance costs	14	(8,154)	(11,908)
Share-based payments	15	(214,053)	(124,417)
<b>Loss before tax</b>		<b>(11,379,828)</b>	<b>(5,811,810)</b>
Income tax benefit	4	-	-
<b>Loss for the year</b>		<b>(11,379,828)</b>	<b>(5,811,810)</b>
Other comprehensive income/(loss) for the year, net of tax		-	-
<b>Total comprehensive loss for the year, net of tax</b>		<b>(11,379,828)</b>	<b>(5,811,810)</b>
<b>Loss per share</b>			
Basic loss per share (cents)	7	(1.70)	(0.92)
Diluted loss per share (cents)	7	(1.70)	(0.92)

The accompanying notes form part of these financial statements.



# Statement of Financial Position

As at 30 June 2023

	Notes	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	10,967,259	19,233,183
Trade and other receivables	9	1,658,504	1,840,976
Prepayments		66,474	612,785
Other current assets	10	-	533,015
		<b>12,692,237</b>	<b>22,219,959</b>
<b>Non-Current Assets</b>			
Plant and equipment	11	25,674	9,083
Right-of-use assets	14	125,117	207,616
		<b>150,791</b>	<b>216,699</b>
<b>TOTAL ASSETS</b>		<b>12,843,028</b>	<b>22,436,658</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	2,532,299	541,023
Employee benefit liabilities	13	185,907	525,658
Lease liabilities	14	94,078	94,091
		<b>2,812,284</b>	<b>1,160,772</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	14	48,021	133,312
Employee benefit liabilities	13	7,058	1,135
		<b>55,079</b>	<b>134,447</b>
<b>TOTAL LIABILITIES</b>		<b>2,867,363</b>	<b>1,295,219</b>
<b>NET ASSETS</b>		<b>9,975,665</b>	<b>21,141,439</b>
<b>EQUITY</b>			
Contributed equity	16	98,262,795	98,134,995
Reserves	17	4,002,088	3,915,834
Accumulated losses		(92,289,218)	(80,909,390)
<b>TOTAL EQUITY</b>		<b>9,975,665</b>	<b>21,141,439</b>

The accompanying notes form part of these financial statements.

# Statement of Changes in Equity

For the Year Ended 30 June 2023

	Contributed Equity (Note 16) \$	Reserves (Note 17) \$	Accumulated Losses \$	Total \$
<b>As at 1 July 2021</b>	<b>77,033,694</b>	<b>3,791,418</b>	<b>(75,097,580)</b>	<b>5,727,532</b>
Loss for the period	-	-	(5,811,810)	(5,811,810)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(5,811,810)</b>	<b>(5,811,810)</b>
Issue of share capital (Note 16)	22,586,503	-	-	22,586,503
Share-based payments (Note 15)	-	124,416	-	124,416
Transactions costs on options issues/capital raising	(1,485,202)	-	-	(1,485,202)
<b>At 30 June 2022</b>	<b>98,134,995</b>	<b>3,915,834</b>	<b>(80,909,390)</b>	<b>21,141,439</b>
<b>As at 1 July 2022</b>	<b>98,134,995</b>	<b>3,915,834</b>	<b>(80,909,390)</b>	<b>21,141,439</b>
Loss for the period	-	-	(11,379,828)	(11,379,828)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(11,379,828)</b>	<b>(11,379,828)</b>
Share-based payments (Note 15)	-	214,054	-	214,054
Options exercised (Note 16)	127,800	(127,800)	-	-
<b>At 30 June 2023</b>	<b>98,262,795</b>	<b>4,002,088</b>	<b>(92,289,218)</b>	<b>9,975,665</b>

The accompanying notes form part of these financial statements.

# Statement of Cash Flows

For the Year Ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(10,282,237)	(8,380,860)
Interest paid		(8,154)	(11,908)
Interest received		357,966	16,604
R&D tax concession refund		1,781,096	570,998
<b>Net cash flows used in operating activities</b>	20	<b>(8,151,329)</b>	<b>(7,805,166)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	11	(29,291)	(3,913)
<b>Net cash flows used in investing activities</b>		<b>(29,291)</b>	<b>(3,913)</b>
<b>FINANCING ACTIVITIES</b>			
Issue of share capital		-	22,586,503
Transaction costs on capital raising		-	(1,485,202)
Payment of lease liabilities		(85,304)	(79,442)
<b>Net cash flows from financing activities</b>		<b>(85,304)</b>	<b>21,021,859</b>
Net decrease in cash and cash equivalents		(8,265,924)	13,212,780
Cash and cash equivalents at 1 July	8	19,233,183	6,020,403
<b>Cash and cash equivalents at 30 June</b>	8	<b>10,967,259</b>	<b>19,233,183</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 30 June 2023

## Note 1: Significant Accounting Policies

### 1.A Corporate Information

The financial report of Antisense Therapeutics Limited and its subsidiaries (the 'Company') for the Year Ended 30 June 2023 was authorised for issue in accordance with a resolution of the Directors on 25 August 2023. The financial report is for the Company consisting of Antisense Therapeutics Limited.

Antisense Therapeutics Limited is a listed public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Company also has a Level 1 American Depository Receipt (ADR) program traded on the US over-the-counter market.

The principal activity of the Company is the research and development of novel antisense pharmaceuticals.

### 1.B 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. These consolidated financial statements are presented in Australian dollar (\$), which is the Company's functional and presentation currency. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated financial statements and directors' report have been rounded off 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.

Where relevant, comparative information has been reclassified to ensure comparability with the current year disclosures and presentation.

### Going Concern

The Directors have prepared the 2023 financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss from ordinary activities of 11,379,828 during the year ended 30 June 2023 (30 June 2022: \$5,811,810) including expenses relating to the issue of options "share-based payments" of \$214,053 (30 June 2022: \$124,417) and incurred an operating cash outflow of \$8,151,329 (30 June 2022: \$7,805,166).

The Company will be required to fund its ongoing clinical development projects in FY24 (including the ongoing clinical trial of ATL1102 in DMD). The cash balance at 30 June 2023 is \$10,967,259 (30 June 2022: \$19,233,183). Subsequent to 30 June 2023, the Company successfully completed a share placement with institutional investors and Share Purchase Plan with existing shareholders, with total gross proceeds of \$11.6m raised.

For the further clinical development projects and to continue to pay its debts as and when they fall due, the Company will need to access additional capital in addition to the proceeds from the equity transactions in 2023. In the event the Company is unable to access additional capital or secure partnering opportunities to progress its clinical development projects, a material uncertainty exists regarding its ability to continue as a going concern.



# Notes to the Financial Statements *continued*

For the Year Ended 30 June 2023

## Note 1: Significant Accounting Policies *continued*

### 1.B Basis of Preparation – *Going Concern* continued

After consideration of the available facts the Directors have concluded that the going concern basis is appropriate given the Company's track record of raising capital and the status of ongoing discussions with various parties. Accordingly, the financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

### 1.C 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.

### 1.D New, Revised or Amending Accounting Standards & Interpretations Adopted

#### *New Standard and Interpretations in issue*

A number of amended standards became applicable for the current reporting period. The company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards..

### 1.E Principles of Consolidation

The consolidated financial statements incorporate the income statement balances of all subsidiaries of Antisense Therapeutics Ltd as at 30 June 2023. Antisense Therapeutics deregistered its subsidiary during the financial year.

### 1.F Summary of Significant Accounting Policies

#### a) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

#### *Interest income*

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as AFS, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

#### b) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The Company currently receives grant funding in the form of the R&D Tax Incentive. The grant funding is to facilitate research projects in collaboration with Publicly Funded Research Organisation to develop new ideas to commercial potential.

#### c) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

**c) Share-based payments *continued***

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**d) Borrowing Costs**

Borrowing costs are expensed using the effective interest method.

**e) Cash & 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 Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

**f) Foreign Currencies**

The functional currency of the Company is based on the primary economic environment in which the Company operates. The functional currency of the Company 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 Company 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.

**g) Income Taxes**

Deferred income tax is provided on temporary differences at the balance 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.

# Notes to the Financial Statements *continued*

For the Year Ended 30 June 2023

## Note 1: Significant Accounting Policies *continued*

### 1.F Summary of Significant Accounting Policies

#### Income Taxes *continued*

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 balance 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 balance date.

Deferred Tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Given the history of losses, there is limited support for the recognition of these losses as deferred tax assets. On this basis, Antisense Therapeutics Limited has determined it cannot recognise deferred tax assets on the tax losses carried forward. Further, on this basis, deferred tax assets have not been recognised related to temporary differences.

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

#### h) Goods & 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 Cash Flow Statement 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.

#### i) Plant & Equipment

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

	Life	Method
Equipment	3-5 years	Straight line

#### i) Research & Development Costs

Research costs are expensed as incurred.

An intangible asset arising from development expenditure on an internal project is recognised only when the Company 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.

Following initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not available for use, or more frequently when an indication of impairment arises during the reporting period.

#### **k) 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 of disposal 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 an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

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

#### **l) Trade & Other Payables**

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company 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 Company.

#### **m) Employee Benefits**

##### ***Wages, Salaries and Annual Leave***

Liabilities for wages and salaries, including non-monetary benefits and annual leave payments expected to be settled within 12 months of the reporting date are recognised in other provisions in respect of employees' service up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

##### ***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 national corporate bonds with terms to maturity and currencies that match, as closely as possible, to the estimated future cash outflows.

#### **n) 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.

#### **o) Earnings Per Share**

Basic earnings per share is calculated as profit or loss attributable to equity holders of the Parent, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as profit or loss attributable to equity holders of the Parent, adjusted for:

- 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.

# Notes to the Financial Statements

For the Year Ended 30 June 2023

## Note 2: Revenue & Other Income

	2023 \$	2022 \$
<b>REVENUE</b>		
Interest from external parties	384,923	34,178
<b>Total revenue</b>	<b>384,923</b>	<b>34,178</b>
<b>OTHER INCOME</b>		
Research and development tax concession	1,579,849	1,777,904
<b>Total other income</b>	<b>1,579,849</b>	<b>1,777,904</b>
<b>Total revenue &amp; other income</b>	<b>1,964,772</b>	<b>1,812,082</b>

Interest Income is received from financial institution on the balance of call deposit and term deposits. Refer to Note 8: Cash and Cash Equivalents (2022: \$827,275).

## Note 3: Expenses

	2023 \$	2022 \$
<b>Administrative Expenses</b>		
Compliance expenses	479,022	617,884
Office expenses	52,816	39,742
Corporate employee expenses	982,292	993,947
Business development expenses	1,323,101	1,142,444
<b>Total administrative expenses</b>	<b>2,837,231</b>	<b>2,794,017</b>
<b>Research &amp; Development Expenses</b>		
ATL 1102	8,284,558	3,552,594
ATL 1103	71,565	113,112
Research & Development	1,806,343	869,388
<b>Total Research &amp; Development Expenses</b>	<b>10,162,466</b>	<b>4,535,094</b>

For the year ended 30 June 2023 employee expenses totalled \$1,841,040 (2022: \$1,821,222) with it being split between Corporate employee expenses of \$982,292 (2022: \$993,947) and Research & Development expenses of \$858,748 (2022: \$827,275).

Research and development expenses for the year ended 30 June 2023 and 2022 include costs related to manufacturing of clinical development supplies.



## Note 4: Income Tax

	2023 \$	2022 \$
<b>Accounting loss before income tax</b>	<b>(11,379,828)</b>	<b>(5,811,810)</b>
Tax at the Australian tax rate of 25% (2022: 25%)	(2,844,957)	(1,452,953)
Share based payments	53,513	31,104
Research and development tax concession	907,959	1,021,784
Non-assessable grant income	(394,962)	(444,476)
Section 40-88o deductions	(122,579)	(139,797)
Entertainment	1,585	622
<b>Subtotal</b>	<b>(2,399,441)</b>	<b>(983,716)</b>
Tax loss not recognised	2,399,441	983,716
Income tax expense reported in the statement of profit or loss	-	-
<b>Income tax expense/(benefit) attributable to the Company</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax - Deferred tax assets and liabilities:</b>		
Accruals	318,648	51,261
Prepayments	(16,619)	(153,196)
Provision for annual leave & long service leave	53,879	175,478
Leases (net)	(4,246)	(4,947)
Other	14,353	(4,564)
<b>Net deferred tax asset/(liability) not recognised</b>	<b>366,015</b>	<b>64,032</b>
Derecognition of deferred tax asset	(366,015)	(64,032)
<b>Net deferred tax asset/(liability)</b>	<b>-</b>	<b>-</b>

### Tax Losses

Antisense Therapeutics Limited has unconfirmed, unrecouped tax losses in Australia which have not been brought to account. The ability to be able to recognise a deferred tax asset in respect of these tax losses will be dependent upon the probability that future taxable profit will be available against which the unused tax losses can be utilised and the conditions for deductibility imposed by Australian tax authorities will be complied with.

	2023 \$	2022 \$
Unused tax losses for which no deferred tax asset has been recognised	69,364,622	59,766,858
	<b>69,364,622</b>	<b>59,766,858</b>

## Note 5: Key Management Personnel Compensation

The aggregate compensation made to Directors and other Key Management Personnel of the Company is set out below:

	2023 \$	2022 \$
Short-term employee benefits	1,748,698	1,543,232
Share-based payments	175,717	62,208
Post-employment benefits	111,859	86,949
Long-term benefits	599	26,544
	<b>2,036,873</b>	<b>1,718,934</b>

For more information on Key Management Personnel Compensation, please refer to the Remuneration Report contained under Directors' Report.

# Notes to the Financial Statements

For the Year Ended 30 June 2023

## Note 6: Auditors' Remuneration

The auditor of Antisense Therapeutics Limited is Ernst and Young.

	2023 \$	2022 \$
<i>Amounts received or due and receivable by Ernst and Young for:</i>		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	77,500	76,648
Fees for assurance services that are required by legislation to be provided by the auditor	-	-
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	-	-
Fees for other services:		
Tax compliance services	14,000	22,940
	<b>91,500</b>	<b>99,588</b>

## Note 7: Earnings per share (EPS)

Basic EPS is calculated by dividing profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	2023 \$	2022 \$
Net profit/(earnings/(losses)) used in the calculation of basic and diluted earnings/(losses) per share	(11,379,828)	(5,811,810)
Weighted average number of ordinary shares for basic EPS	669,029,222	634,294,288
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<b>669,029,222</b>	<b>634,294,288</b>

There is no impact to diluted earnings per share as the potential ordinary shares from conversion of options are anti-dilutive.

## Note 8: Cash & Cash Equivalents

	2023 \$	2022 \$
Cash at bank and on hand	467,259	816,916
Short-term deposits	10,500,000	18,416,267
	<b>10,967,259</b>	<b>19,233,183</b>

The interest rate for cash at bank as at 30 June 2023 was 0% p.a. (2022: 0% p.a.). The At Call Deposit interest rate as at 30 June 2023 was 0.25% p.a. (2022: 1.13%). The Fixed Term Deposit interest rate as at 30 June 2023 was 4.22% and 3.91% respectively (2022: 1.94%).

## Note 9: Trade & Other Receivables

	2023 \$	2022 \$
Trade receivables	11,329	30,326
Research & development tax concession receivable	1,330,103	1,777,904
Interest receivable	44,553	17,596
Other receivables	25,965	15,150
	<b>1,411,950</b>	<b>1,840,976</b>

## Note 10: Other Current Assets

	2023 \$	2022 \$
Other current assets	-	533,015
	<b>-</b>	<b>533,015</b>

The company entered into a manufacturing agreement in October 2021. The amount at 30 June 2022 relates to a payment of US\$367,500 for manufacturing services paid in advance.

## Note 11: Property, Plant & Equipment

	Property, plant & equipment \$
<b>Cost</b>	
At 1 July 2021	210,256
Additions	3,913
<b>At 30 June 2022</b>	<b>214,169</b>
At 1 July 2022	214,169
Additions	29,291
<b>At 30 June 2023</b>	<b>243,460</b>
<b>Depreciation &amp; impairment</b>	
At 1 July 2021	(198,687)
Depreciation charge for the year	(6,399)
<b>At 30 June 2022</b>	<b>(205,086)</b>
At 1 July 2022	(205,086)
Depreciation charge for the year	(12,700)
<b>At 30 June 2023</b>	<b>(217,786)</b>

	2023 \$	2022 \$
At cost	243,460	214,169
Accumulated Depreciation	(217,786)	(205,086)
Net Book Value	<b>25,674</b>	<b>9,083</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2023

## Note 12: Trade & Other Payables

	2023 \$	2022 \$
Trade payables	1,022,819	331,404
Accrued expenses	1,504,903	205,042
Other payables	4,577	4,577
	<b>2,532,299</b>	<b>541,023</b>

## Note 13: Employee Benefit Liabilities

	2023 \$	2022 \$
<b>Current</b>		
Annual leave	60,313	175,271
Long service leave	125,594	350,387
	<b>185,907</b>	<b>525,658</b>
<b>Non-current</b>		
Long service leave	7,058	1,135
	<b>7,058</b>	<b>1,135</b>

## Note 14: Leases

(i) Amounts recognised in the balance sheet.

In December 2020, the Company entered into a two-year commercial lease on an office in Toorak, with the option to extend for a further two years, which the company executed.

	30 June 2023 \$	30 June 2022 \$
<b>Right-of-Use Assets</b>		
Opening balance	207,616	290,435
Depreciation expense	(82,499)	(82,819)
<b>Closing balance</b>	<b>125,117</b>	<b>207,616</b>
<b>Lease Liabilities</b>		
Opening balance	227,403	306,845
Interest expense	8,154	11,908
Lease liability payments	(93,458)	(91,350)
<b>Closing balance</b>	<b>142,099</b>	<b>227,403</b>

**(ii) Amounts recognised in the statement of profit or loss.**

	30 June 2023 \$	30 June 2022 \$
Depreciation charge on right-of-use asset	82,499	82,819
Interest expense (included in finance costs)	8,154	11,908
	<b>90,653</b>	<b>94,727</b>

## Note 14: Leases *continued*

**(iii) The Company's leasing activities and how these are accounted for.**

The Company's lease agreement does not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Company has the following leased asset:

- Principal place of business as at 31 December, 2020, Level 1, 14 Wallace Avenue, Toorak, Victoria. The lease is effective from 13 December 2020 for a term of two years, expiring 31 December 2022 with an option to extend for a further two years.
- The extension on Level 1,14 Wallace Avenue, Toorak was executed on 09 December 2022.

	30 June 2023 \$	30 June 2022 \$
Right-of-use – Leased premises	492,014	492,014
Less: Accumulated depreciation	(366,897)	(284,398)
	<b>125,117</b>	<b>207,616</b>

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the company's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.



# Notes to the Financial Statements

For the Year Ended 30 June 2023

## Note 15: Share-based payments

The value attributed to share options and remuneration shares issued is an estimate calculated using an appropriate option-pricing model. The choice of models and the resultant option value require assumptions to be made in relation to volatility of the price of the underlying shares.

The summaries of all listed and unlisted options are as below:

	2023		2022	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 July	\$0.15	55,000,000	\$0.15	55,000,000
Granted during the year	\$0.21	14,190,000	-	-
Exercised during the year	\$0.08	(2,000,000)	-	-
Forfeited/lapsed during the year	-	-	-	-
As at 30 June	\$0.17	67,190,000	\$0.15	55,000,000
Vested and exercisable at 30 June	\$0.18	60,500,000	\$0.15	54,666,600
Not yet vested		6,690,000		666,800

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price (\$)	Share options 30 June 2023	Share options 30 June 2022
23-12-2019 (ANPAA)	23-12-2023	0.080	8,000,000	10,000,000
23-12-2019 (ANPAB)	23-12-2023	0.145	35,000,000	35,000,000
19-03-2021 (ANPAC)	18-05-2025	0.185	2,000,000	2,000,000
19-03-2021 (ANPAD)	18-05-2025	0.270	8,000,000	8,000,000
21-12-2021 (ANPAC)	18-03-2025	0.185	2,000,000	-
21-12-2022 (ANPAD)	18-03-2025	0.270	2,500,000	-
21-12-2022 (ANPAF)	20-12-2024	0.480	3,000,000	-
09-05-2023	07-08-2025	0.270	6,690,000	-
			<b>67,190,000</b>	<b>55,000,000</b>

As at 30 June 2023, 6,690,000 equity settled options that are granted as part of remuneration to employees are subject to shareholder approval.

During the financial year, 2,000,000 options were exercised and converted to 250,000 ordinary shares.

As at 30 June 2023, there were 67,190,000 equity settled options that were granted in current and prior years as remuneration to employees and contractors, wherein 43,000,000 were issued in 2020, another 10,000,000 equity settled options issued in 2021, and another 7,500,000 equity settled options issued in 2023.

The Company has recognised \$214,053 of share-based payment expense in the statement of profit or loss (30 June 2022: \$124,417). The total vested and exercisable options for the year ended 30 June 2023 is 60,500,000 (30 June 2022: 54,333,200).

## Note 15: Share-based payments *continued*

The Option-value model inputs during the period 30 June 2023 included:

Grant date	Expiry date	Exercise price (\$)	No. of options	Share price at grant date (\$)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option (\$)	Vested	Vesting Date
21-12-2022	20-12-2024	0.480	3,000,000	0.0895	87.63%	0.00%	3.185%	0.0100	100%	2022-12-21
21-12-2022	18-03-2025	0.185	2,000,000	0.0895	92.68%	0.00%	3.185%	0.0313	100%	2022-12-21
21-12-2022	18-03-2025	0.270	2,500,000	0.0895	92.68%	0.00%	3.185%	0.0243	100%	2022-12-21
09-05-2023	07-08-2028	0.070	1,672,500	0.0720	109.20%	0.00%	3.155%	0.0564	0%	2024-08-07
09-05-2023	07-08-2028	0.070	1,672,500	0.0720	109.20%	0.00%	3.155%	0.0564	0%	2025-08-07
09-05-2023	07-08-2028	0.070	1,672,500	0.0720	109.20%	0.00%	3.155%	0.0564	0%	2026-08-07
09-05-2023	07-08-2028	0.070	1,672,500	0.0720	109.20%	0.00%	3.155%	0.0564	0%	2027-08-07
			<b>14,190,000</b>							

The assessed fair value of options at grant date was determined using the Black Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield (0.00%), and the risk-free interest rate for the term of the security. The volatility was based on analysing the Company's historical trading data for the last 48 months up to and including the valuation date.

Valuation of the options was completed with the Company recognising the \$214,053 of share-based payment expense in the statement of profit of loss due to issue of options being vested for the year ended 30 June 2023.

## Note 16: Contributed Equity

	Note	2023 \$	2022 \$
Ordinary fully paid shares	16.a	98,262,795	98,134,995
		<b>98,262,795</b>	<b>98,134,995</b>

### Note 16(a): Ordinary Shares

Reconciliation of share movement in the period:

	30 June 2023	
	No.	\$
At the beginning of the period	668,793,978	98,134,995
Exercise of Options	250,000	127,800
Shares issued during the year	270,558	-
	<b>669,314,536</b>	<b>98,262,795</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2023

## Note 16(a): Ordinary Shares *continued*

	30 June 2022	
	No.	\$
At the beginning of the period	574,476,343	77,033,694
Transfer of option value over ordinary shares	-	-
Shares issued during the year	94,317,635	22,586,503
Transaction costs relating to share issues	-	(1,485,202)
	<b>668,793,978</b>	<b>98,134,995</b>

Details of movement in shares:

2023	Details	Numbers	Issue Price \$	AUD \$
01 Jul 2022	Balance as at 01 Jul 2022	668,793,978	-	98,134,995
23 Nov 2022	Exercise of Options	250,000	0.090	127,800
07 Mar 2023	Issue of Shares in lieu of services	109,268	0.095	-
07 Mar 2023	Issue of Shares in lieu of services	161,290	0.093	-
		<b>669,314,536</b>		<b>98,262,795</b>

2022	Details	Numbers	Issue Price \$	AUD \$
01 Jul 2021	Balance as at 01 Jul 2021	574,476,343	-	77,033,694
05 Nov 2021	Placement of Shares	83,333,332	0.24	20,000,000
22 Dec 2021	Share Purchase Plan	10,777,099	0.24	2,586,504
24 Dec 2021	Issue of Shares in lieu of cash	119,979	-	-
28 Jan 2022	Issue of Shares in lieu of cash	87,225	-	-
08 Feb 2022	Less Capital Raising costs	-	-	(1,485,202)
		<b>668,793,978</b>		<b>98,134,995</b>

Ordinary shares participate in dividends and the proceeds on winding up of 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.

## Note 17: Reserves

### Nature & Purpose of the Reserve

The option reserve recognises the value from the issue of options over ordinary shares and the expense recognised in respect of share based payments.

2023	Details	Numbers	AUD \$
01 Jul 2022	Balance as at 01 Jul 2022	55,000,000	3,915,834
23 Nov 2022	Exercise of options (ANPAA)	(2,000,000)	(127,800)
21 Dec 2022	Issue of options (ANPAC)	2,000,000	62,600
21 Dec 2022	Issue of options (ANPAD)	2,500,000	60,750
21 Dec 2022	Issue of options (ANPAF)	3,000,000	30,000
	Expense during the year	-	60,703
30 Jun 2023	Balance as at 30 Jun 2023	<b>60,500,000</b>	<b>4,002,088</b>

## Note 18: Commitments & Contingencies

### Commitments

At 30 June 2023, the Company had no commitments or contingencies of \$Nil (2022: \$Nil).

# Notes to the Financial Statements

For the Year Ended 30 June 2023

## Note 19: Operating Segment

The Company has identified its operating segments based on the internal reports that are reviewed and used by the management team in assessing performance and determining allocation of the resources.

The operating segments are identified by management based on the manner in which the expenses are incurred, and for the purpose of making decisions about resource allocation and performance assessment.

Discrete financial information about each of these operating segments is reported by the executive management team to the board on a regular basis.

For the management purposes, the Company prepares its reporting for the following two operating segments that has been identified based on its antisense oligonucleotide products that are currently under development:

- ATL1102 and
- ATL1103

The assets and liabilities of the Company are not allocated to a segment.

All revenue and other income and expenses that do not directly relate to these two operating segments have been currently reported as unallocated.

30 June 2023	ATL1102	ATL1103	Unallocated (Note a)	Total
	\$	\$	\$	\$
Segment revenue and other income	1,579,849	-	384,923	1,964,772
Segment expenses	(8,284,221)	(71,565)	(4,988,814)	(13,344,600)
<b>Net result</b>	<b>(6,704,372)</b>	<b>(71,565)</b>	<b>(4,603,891)</b>	<b>(11,379,828)</b>

30 June 2022	ATL1102	ATL1103	Unallocated (Note a)	Total
	\$	\$	\$	\$
Segment revenue and other income	1,777,904	-	34,178	1,812,082
Segment expenses	(3,552,594)	(113,112)	(3,958,184)	(7,623,890)
<b>Net result</b>	<b>(1,774,690)</b>	<b>(113,112)</b>	<b>(3,924,006)</b>	<b>(5,811,808)</b>

## Note 19(a): Unallocated breakdown

	2023 \$	2022 \$
<b>Unallocated revenue and other income</b>		
Interest from external parties	384,923	34,178
	<b>384,923</b>	<b>34,178</b>
<b>Unallocated expenses</b>		
Compliance expenses	(479,022)	(617,883)
Business development expenses	(1,323,101)	(1,142,444)
Employee expenses	(982,291)	(993,947)
Patent expenses	(33,035)	(65,680)
Other expenses	(2,171,364)	(1,138,230)
	<b>(4,988,813)</b>	<b>(3,958,184)</b>



## Note 20: Cash Flow Information

Reconciliation of cash flow from operations with loss after income tax.

	2023	2022
	\$	\$
<b>Cash flow reconciliation</b>		
Reconciliation of net loss after tax to net cash flows from operations:		
Net loss before tax	(11,331,081)	(5,811,810)
<b>Adjustments to reconcile loss before tax to net cash flows:</b>		
Depreciation expense (inc Leased Assets)	95,199	89,218
Share-based payments	214,053	124,417
<b>Working capital adjustments:</b>		
Movement in trade and other receivables	341,488	(1,239,724)
Movement in prepayments	546,311	(535,843)
Movement in trade and other payables	1,760,964	28,941
Movement in other current assets	533,015	(533,015)
Movement in provisions	(311,278)	72,650
<b>Net cash flows used in operating activities</b>	<b>(8,151,329)</b>	<b>(7,805,166)</b>

## Note 21: Events After the Reporting Period

On 18 July 2023, the Company announced it had raised \$8.35m in an oversubscribed institutional placement under the company's discretionary placement capacity in accordance with ASX Listing Rule 7.1 and 7.1A. The placement was substantially supported by the Company's major shareholder, Platinum Asset Management, on behalf of Platinum International Health Care Fund and Platinum World Portfolios Plc – Platinum World Portfolios Health Sciences Fund, as cornerstone investor subscribing for \$4 million as well as other institutional and sophisticated investors subscribing for the balance. In addition, on 21 August 2023 the Company announced it had raised \$3.26m from a share purchase plan (SPP).

There have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the financial year, which significantly affected, or may significantly affect, the operations of Antisense Therapeutics Limited, the results of those operations or the state of affairs of Antisense Therapeutics Limited in future financial years.

## Note 22: Related Party Transactions

The following are identified as Key Management Personnel for the year:

- Dr Charmaine Gittleston
- Dr James Garner (Commenced: 8 May 2023)
- Dr Ben Gil Price
- Dr George Tachas
- Mr Phillip Hains
- Dr Anthony Filippis (Commenced: 17 Nov 2022)
- Dr Gary Pace (Resigned: 17 Nov 2022)
- Ms Nuket Desem (Resigned: 5 May 2023)
- Mr Mark Diamond (Resigned: 12 May 2022)

In 30 June 2023, Mr Mark Diamond entered into a consulting agreement with Antisense Therapeutics Limited for \$50,000 (AUD) per annum, post resigning as Director of the Company.

In 30 June 2022, Mr. Robert Moses and Mr. William Goolsbee entered into a consulting agreement with Antisense Therapeutics Limited for \$20,000 (AUD) and \$50,000 (USD) per annum respectively, post resigning as Directors of the Company.

Other related party transactions during the current financial year are declared on the Remuneration Report.

# Notes to the Financial Statements

For the Year Ended 30 June 2023

## Financial Risk Management Objectives & Policies

### Note 23(a): Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables and trade and other payables:

	2023 \$	2022 \$
Cash and cash equivalents	10,967,259	19,233,183
Other current assets	-	533,015
Trade and other receivables	81,847	63,072
Trade and other payables	(2,532,299)	(541,023)

The fair values of cash and short-term deposits, trade and other receivables, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Company does not have any derivative instruments at 30 June 2023 (2022: Nil).

### Note 23(b): Risk Management Policy

The Board is responsible for overseeing the establishment and implementation of the risk management system, and reviews and assesses the effectiveness of the Company's implementation of that system on a regular basis.

The Board and Senior Management identify the general areas of risk and their impact on the activities of the Company, with Management performing a regular review of:

- the major risks that occur within the business;
- the degree of risk involved;
- the current approach to managing the risk; and
- if appropriate, determine:
  - (i) any inadequacies of the current approach; and
  - (ii) possible new approaches that more efficiently and effectively address the risk.

Management report risks identified to the Board through the Operations Report at Board Meetings and periodically via direct communication as relevant risks are identified.

The Company seeks to ensure that its exposure to undue risk which is likely to impact its financial performance, continued growth and survival is minimised in a cost effective manner.

### Note 23(c): Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may issue new shares or reduce its capital, subject to the provisions of the Company's constitution.

The capital structure of the Company consists of equity attributed to equity holders of the Company, comprising contributed equity, reserves and accumulated losses disclosed in Notes 16 and 17. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the Board by the Company's Management the Board monitors the need to raise additional equity from the equity markets.

### Note 23(d): Financial Risk Management

The main risks the Company is exposed to through its operations are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

#### Interest Rate Risk

The Company is exposed to interest rate risks via the cash and cash equivalents that it holds. Interest rate risk is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates. The objective of managing interest rate risk is to minimise the Company's exposure to fluctuations in interest rate that might impact its interest revenue and cash flow.

To manage interest rate risk, the Company locks a portion of the Company's cash and cash equivalents into term deposits. The maturity of term deposits is determined based on the Company's cash flow forecast.

Interest rate risk is considered when placing funds on term deposits. The Company considers the reduced interest rate received by retaining cash and cash equivalents in the Company's operating account compared to placing funds into a term deposit. This consideration also takes into account the costs associated with breaking a term deposit should early access to cash and cash equivalents be required.

The Company's exposure to interest rate risk and the weighted average interest rates on the Company's financial assets and financial liabilities is as follows:

30 June 2023	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate within Year \$	Fixed Interest Rate 1 to 5 Years \$	Fixed Interest Rate over 5 Years \$	Non-Interest Bearing \$	Total \$
<b>Financial Assets</b>							
Cash & cash equivalents	2.39	467,259	10,500,000	-	-	-	10,967,259

30 June 2022	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate within Year \$	Fixed Interest Rate 1 to 5 Years \$	Fixed Interest Rate over 5 Years \$	Non-Interest Bearing \$	Total \$
<b>Financial Assets</b>							
Cash & cash equivalents	0.48	816,916	18,416,267	-	-	-	19,233,183

There has been no change to the Company's exposure to interest rate risk or the manner in which it manages and measures its risk in the year ended 30 June 2023 and 2022.

The Company has conducted a sensitivity analysis of the Company's exposure to interest rate risk. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. The analysis shows that if the Company's interest rate was to fluctuate as disclosed below and all other variables had remained constant, then the interest rate sensitivity impact on the Company's profit after tax and equity would be as follows:

	(Higher) / Lower 2023	(Higher) / Lower 2022
2023: +3.18% (2022: +1.43%)	271	148
2023: -3.18% (2022: -01.43%)	(271)	(148)

### Foreign Currency Risk

The Company is exposed to foreign currency risk via the trade and other receivables and trade and other payables that it holds. Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company aims to take a conservative position in relation to foreign currency risk hedging when budgeting for overseas expenditure however; the Company does not have a policy to hedge overseas payments or receivables as they are highly variable in amount and timing, due to the reliance on activities carried out by overseas entities and their billing cycle.

The following financial assets and liabilities are subject to foreign currency risk:

	2023 \$	2022 \$
Trade and other payables (AUD/USD)	38,714	23,138
Trade and other payables (AUD/GBP)	3,105	1,812
Trade and other payables (AUD/EUR)	20,693	13,816

Foreign currency risk is measured by regular review of our cash forecasts, monitoring the dollar amount and currencies that payment are anticipated to be paid in. The Company also considers the market fluctuations in relevant currencies to determine the level of exposure. If the level of exposure is considered by Management to be too high, then Management has authority to take steps to reduce the risk.

The Company conducts some activities outside of Australia which exposes it to transactional currency movements, where the Company is required to pay in a currency other than its functional currency.

There has been no change in the manner the Company manages and measures its risk in the year ended 30 June 2023 and 2022.

# Notes to the Financial Statements

For the Year Ended 30 June 2023

## Financial Risk Management Objectives & Policies *continued*

### Note 23(d): Financial Risk Management *continued*

#### *Foreign Currency Risk continued*

The Company is exposed to fluctuations in United States dollars, Euros, and Great British Pounds. Analysis is conducted on a currency by currency basis using sensitivity variables.

The Company has conducted a sensitivity analysis of the Company's exposure to foreign currency risk. The sensitivity analysis variable is based on the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rates at each reporting date. The analysis shows that if the Company's exposure to foreign currency risk was to fluctuate as disclosed below and all other variables had remained constant, then the foreign currency sensitivity impact on the Company's loss after tax and equity would be as follows:

	(Higher) / Lower 2023	(Higher) / Lower 2022
AUD/USD: 2023: +7.2% (2022: +6.5%)	2,787	1,504
AUD/USD: 2023: -7.2% (2022: -6.5%)	(2,787)	(1,504)
AUD/GBP: 2023: +5.4% (2022: +4.2%)	(168)	76
AUD/GBP: 2023: -5.4% (2022: -4.2%)	168	(76)
AUD/EUR: 2023: +5.3% (2022: +3.8%)	(1,097)	525
AUD/EUR: 2023: -5.3% (2022: -3.8%)	1,097	(525)

#### *Credit Risk*

The Company is exposed to credit risk via its cash and cash equivalents and trade and other receivables. Credit risk is the risk that a counter-party will default on its contractual obligations resulting in a financial loss to the Company. To reduce risk exposure for the Company's cash and cash equivalents and other receivables, it places them with high credit quality financial institutions.

Historically the Company has had minimal trade and other receivables, with the majority of its funding being provided via shareholder investment. Traditionally the Company's trade and other receivables relate to GST refunds and Research and Development Tax Concession amounts due to the Company from the Australian Tax Office. At 30 June 2023 GST accounted for \$15,965 (2022: \$5,152) of the trade and other receivables. At 30 June 2023, accrued interest from the Commonwealth Bank amounted to \$44,553 (2022: \$17,596).

The Board believes that the Company does not have significant credit risk at this time in respect of its trade and other receivables.

#### *Trade receivables*

The Company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of receivables over a period of 60 months before 30 June 2023 and 2022, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

As at 30 June 2023 and 2022, the Company concludes that there is no significant exposure to credit risk due to Trade Receivables comprising of statutory entitlements of GST refund.

The Company has analysed its trade and other receivables below. All trade and other receivables disclosed below have not been impaired. Trade and other receivables exclude R&D tax credit receivable as credit risk attached to money receivable from the ATO is immaterial.

	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
	\$	\$	\$	\$	\$	\$	\$
<b>30 June 2023</b>							
Trade and other receivables	81,847	-	-	-	-	81,847	81,847
<b>Total</b>	<b>81,847</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,847</b>	<b>81,847</b>
<b>30 June 2022</b>							
Trade and other receivables	63,073	-	-	-	-	63,073	63,073
<b>Total</b>	<b>63,073</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,073</b>	<b>63,073</b>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 121 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

### Liquidity Risk

The Company is exposed to liquidity risk via its trade and other payables. Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet the commitments associated with its financial instruments. Responsibility for liquidity risk rests with the Board who manage liquidity risk by monitoring undiscounted cash flow forecasts and actual cash flows provided to them by the Company's Management at Board meetings to ensure that the Company continues to be able to meet its debts as and when they fall due. Contracts are not entered into unless the Board believes that there is sufficient cash flow to fund the associated commitments. The Board considers when reviewing its undiscounted cash flow forecasts whether the Company needs to raise additional funding from the equity markets.

#### (i) Maturities of financial liabilities

The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
	\$	\$	\$	\$	\$	\$	\$
<b>30 June 2023</b>							
Trade and other payables	2,301,987	-	-	-	-	2,301,987	2,301,987
Lease Liabilities	44,905	49,173	48,021	-	-	142,099	142,099
<b>Total</b>	<b>2,346,892</b>	<b>49,173</b>	<b>48,021</b>	<b>-</b>	<b>-</b>	<b>2,444,086</b>	<b>2,444,086</b>
<b>30 June 2022</b>							
Trade and other payables	541,023	-	-	-	-	541,023	541,023
Lease Liabilities	50,923	51,342	150,685	-	-	252,950	227,403
<b>Total</b>	<b>591,946</b>	<b>51,342</b>	<b>150,685</b>	<b>-</b>	<b>-</b>	<b>793,973</b>	<b>768,426</b>



# Directors' Declaration

**In accordance with a resolution of the Directors of Antisense Therapeutics Limited, we state that:**

**1. In the opinion of the Directors:**

- (a) the financial statements and notes of Antisense Therapeutics Limited for the financial year ended 30 June 2023 are 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 2023 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards and the *Corporations Regulations 2001*;
- (b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.c; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

**2. This declaration has been made after receiving the declarations required to be made to the Directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial Year Ended 30 June 2023.**

On behalf of the board,

Signed in accordance with a resolution of the Directors.



Dr Charmaine Gittleson

**Independent Non-Executive Chair**

Dated: This day 25<sup>th</sup> of August 2023



**Building a better  
working world**

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## **Independent Auditor's Report to the Members of Antisense Therapeutics Limited**

### **Report on the audit of the financial report**

#### **Opinion**

We have audited the financial report of Antisense Therapeutics Limited (the Company) which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the financial position of the Company as at 30 June 2023 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 1b in the financial report, which indicates that the Company incurred a net loss of \$11.4m and a cash outflow from operations of \$8.2m during the year ended 30 June 2023. These conditions along with the other factors outlined in Note 1b indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Why significant	How our audit addressed the matter
<b>Research &amp; Development tax incentive</b>	
<p>Under the Australian Government's Research &amp; Development ("R&amp;D") income tax credit regime, the Company is entitled to an R&amp;D credit on eligible R&amp;D expenditure incurred including the decline in value of depreciating assets used in eligible R&amp;D activities.</p> <p>The Company has engaged a R&amp;D taxation specialist to assist in preparing its estimated R&amp;D claim for the year ended 30 June 2023 and has recognised an amount estimated to be received under the scheme when its claim is filed along with the lodgement of its annual tax return. The estimated amount of \$1,579,849 is recorded as Other Income in the Statement of Profit or Loss and Other Comprehensive Income and a receivable in the Statement of Financial Position.</p> <p>The Company's policy for accounting for this income and the receivable are disclosed in Note 1 to the Financial Report.</p> <p>This was considered a key audit matter due to the quantum of the receivable recorded and the judgement associated with applying the relevant income tax legislation.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>▶ Evaluating the competence, capability and objectivity of the Company's R&amp;D taxation expert;</li> <li>▶ Assessing the methodology and assumptions used by the Company in calculating the R&amp;D income tax credit receivable with reference to the applicable legislation, in conjunction with our R&amp;D taxation specialists;</li> <li>▶ Assessing the mathematical accuracy of the Company's calculations of the estimated R&amp;D credit receivable; and</li> <li>▶ Comparing the historical estimates made in previous years against the actual R&amp;D credits received.</li> <li>▶ Assessing the disclosure of the R&amp;D incentive income and receivable in Note 2 and Note 9 to the financial report</li> </ul>

## Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 Annual Report other than the financial report and our auditor's report thereon. We obtained the Operations Report, Intellectual Property Report, Directors' Report and Corporate Governance Statement that are to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors 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* and for 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.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit 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.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on the Audit of the Remuneration Report

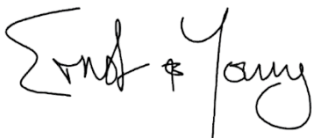
### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 30 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Antisense Therapeutics Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

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.



Ernst & Young



Matt Biernat  
Partner  
Melbourne  
25 August 2023

# Shareholder Information

As at 11 August 2023

## Number of Holders of Equity Securities

### Ordinary Shares

836,304,971 fully paid ordinary shares are held by 4,177 individual shareholders. All ordinary shares carry one vote per share.

### Twenty Largest Ordinary Shareholders

Shareholders	Number	%
1 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	119,049,436	14.24
2 NATIONAL NOMINEES LIMITED	30,000,000	3.59
3 BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	18,198,503	2.18
4 CITICORP NOMINEES PTY LIMITED	16,028,900	1.92
5 MUTUAL INVESTMENTS PTY LTD <MITCHELL FAMILY A/C>	15,363,219	1.84
6 JAMPLAT PTY LTD	14,250,000	1.7
7 MR DALE ANTHONY REED	13,100,000	1.57
8 ESARAD HOLDINGS PTY LTD	12,300,888	1.47
9 CITYCASTLE PTY LTD	11,688,075	1.4
10 ALTOR CAPITAL MANAGEMENT PTY LTD <ALTOR ALPHA FUND A/C>	11,561,929	1.38
11 MR ROBERT WILLIAM MOSES	9,000,000	1.08
12 MR ROBERTSON MCLENNAN MITCHELL & MRS KAREN JOY MITCHELL	7,855,319	0.94
13 SHARED OFFICE SERVICES PTY LTD <PHILANNE S/F A/C>	6,946,304	0.83
14 MR JESSE GARETH HEDLEY & MRS KATIE LOUISE HEDLEY <TTM FAMILY A/C>	6,175,000	0.74
15 MR GLEN STEPHEN HANLY	6,015,005	0.72
16 MUTUAL INVESTMENTS PTY LTD <THE MITCHELL SUPER FUND A/C>	6,000,000	0.72
17 XCELERATE TRADING PTY LTD <XCELERATE TRADING A/C>	5,948,298	0.71
18 MR MARK DIAMOND	4,893,722	0.59
19 MRS MARGARET ANN RYAN & MR MICHEAL RODNEY RYAN	4,770,000	0.57
20 MR COLIN WILLIAM MACLEOD & MRS LINDA ELIZABETH MACLEOD <MACLEOD SUPER FUND A/C>	4,500,000	0.54
<b>Total</b>	<b>323,644,598</b>	<b>38.70</b>
Total balance of remaining holders	512,660,373	61.30

## Distribution of Quoted Security holders

	No. of Holders
	Ordinary Shares
1 - 1,000	155
1,001 - 5,000	554
5,001 - 10,000	512
10,001 - 100,000	2,001
100,001 +	955
<b>Total number of shareholders</b>	<b>4,177</b>
Unmarketable parcels (under \$500)	1,067

## Unquoted Equity Securities Holdings Greater Than 20%

Nil

## Substantial Shareholders

The names of substantial shareholders the Company is aware of from the register or who have notified the Company in accordance with Section 671B of the Corporations Act are:

	No. of Shares
PLATINUM INVESTMENT MANAGEMENT PTY LTD	111,483,140

# Corporate Information

ABN 41 095 060 745

## DIRECTORS

**Dr Charmaine Gittleson** (Appointed: 22 March 2021)  
Independent Non-Executive  
Chair

**Dr Ben Gil Price** (Appointed: 4 October 2021)  
Independent Non-Executive  
Director

**Dr James Garner** (Appointed: 8 May 2023)  
Managing Director

**Dr Gary W Pace** (Appointed: 9 November 2015,  
Independent Non-Executive Resigned: 17 November 2022)  
Director

**Mr Mark Diamond** (Appointed: 31 October 2001,  
Managing Director Resigned: 12 May 2023)

## COMPANY SECRETARY

**Mr Phillip Hains**  
Joint Company Secretary and Chief Financial Officer

**Ms Alicia Mellors**  
Joint Company Secretary

## REGISTERED OFFICE

14 Wallace Avenue, Toorak Victoria 3142  
Australia

**Telephone:** +61 (0)3 9827 8999

## PRINCIPAL PLACE OF BUSINESS

14 Wallace Avenue, Toorak Victoria 3142  
Australia

**Telephone:** +61 (0)3 9827 8999

**Facsimile:** +61 (0)3 9827 1166

## SHARE REGISTER

Boardroom Pty Ltd  
Level 12, 225 George Street, Sydney NSW 2000  
Australia

**Telephone:** 1300 737 760

Antisense Therapeutics Limited shares are listed on the  
Australian Stock Exchange (ASX)  
Frankfurt Stock Exchange (FSE:AWY)  
American Depository Receipts (OTC:ATHJY)

## SOLICITORS

**Minter Ellison**  
Collins Arch  
447 Collins Street, Melbourne Victoria 3000  
Australia

## BANKERS

Commonwealth Bank of Australia  
Melbourne Victoria

## AUDITORS

**Ernst and Young**  
8 Exhibition Street, Melbourne Victoria 3000  
Australia

## WEBSITE

[www.antisense.com.au](http://www.antisense.com.au)



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