Antisense Therapeutics Limited
Appendix 4E
Audited Financial Report
Year Ended 30 June 2019

Name of entity	Antisense Therapeutics Limited
ABN	41 095 060 745
Year Ended	30 June 2019
	(Previous corresponding year: 30 June 2018)

Results for Announcement to the Market

The results of Antisense Therapeutics Limited for the Year Ended 30 June 2019 are as follows:

Revenues	down	(198.46)% to	76,266
Loss after tax attributable to members	down	(26.32)% to	2,944,499
Net Loss for the period attributable to members	down	(26.32)% to	2,944,499

Explanation of Results

The Company reported a loss for the full-year ended 30 June 2019 of $2,944,499 (30 June 2018: $2,331,015). The loss is after fully expensing all research and development costs.

For further details relating to the current period's results, refer to the Operations Report 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

	2019	2018
Net tangible assets ($)	2,809,691	4,221,269
Shares (No.)	420,103,487	371,618,638
Net tangible assets per share (cents)	0.67	1.14

	2019	2018
Basic loss per share (cents)	(0.76)	(1.20)
Diluted loss per share (cents)	(0.76)	(1.20)

Status of Audit of Accounts

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

Antisense Therapeutics Limited

ABN 41 095 060 745

Audited Financial Report for the Year Ended 30 June 2019

Contents to Annual Report

Operations Report	1
Intellectual Property Report	5
Directors' Report	8
Auditor Independence Declaration	25
Corporate Governance	26
Consolidated Statement of Profit or Loss and Other Comprehensive Income	33
Consolidated Statement of Financial Position	34
Consolidated Statement of Changes in Equity	35
Consolidated Statement of Cash Flows	36
Notes to the Financial Statements	37
Directors' Declaration	65
Independent Auditor's Report	66
Corporate Information	71

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 exploit 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 can treat diseases where no other therapeutic approaches have proven effective. Ionis has three approved antisense drugs and a pipeline of more than 40 novel medicines designed to treat a broad range of diseases including cardiovascular diseases, neurological diseases, infectious diseases and pulmonary diseases and cancer.

The partnership with Ionis provides Antisense Therapeutics with access to Ionis’ antisense intellectual property and drug development expertise to facilitate the development and commercialisation of the Company's antisense compounds. In turn Ionis receives a share of product commercialisation 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 Duchennes Muscular Dystrophy (DMD)

The Company is undertaking a clinical trial of ATL1102 in patients with Duchenne Muscular Dystrophy (DMD). DMD is caused by a mutation in the muscle dystrophin gene leading to severe progressive muscle loss and premature death. One of the most common fatal genetic disorders, DMD affects approximately one in every 3,500 to 5,000 males worldwide. 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. Corticosteriods 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 open label six-month dosing trial of ATL1102 in nine non-ambulant patients with DMD aged between 10 and 18 years is being conducted 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 primary endpoints of the trial relate to the safety and tolerability of ATL1102. The efficacy of ATL1102 will also be assessed in terms of its effects on disease processes and progression (e.g. the upper limb strength and function of the boys).

On 29th August 2018 the Company advised that the first patient had been dosed in the Phase II clinical trial, and that commencement of the trial represented an important development milestone for the Company and for DMD patients seeking potentially better and safer treatments.

Operations Report (continued)

Progress

On 18th January 2019 the Company advised that the trial was over 50% enrolled with 5 of the intended 9 patients having entered the study.

On 13th March the Company announced details of a share placement to accelerate the development of ATL1102 in DMD. The capital raising was backed by the Company's major institutional shareholders Australian Ethical Investment and Platinum Asset Management, with the capital raised to be directed to accelerate development planning for ATL1102 including discussions with regulatory authorities, initially in Europe, on the design and conduct of the next clinical trial of ATL1102 in DMD and on the development path for product registration. The Company had received advice from international regulatory consultants that, based on the consultant's review of the existing preclinical and clinical data generated in the development of ATL1102 to that time, the Company could seek approval to conduct a Phase IIb clinical trial of the drug in DMD patients in Europe.

On 4th April 2019 the Company advised that seven patients were enrolled in the DMD clinical trial and that one patient had completed dosing and the two month monitoring period. The Company also advised that no Serious Adverse Events had been reported to that date.

On 24th May 2019 Antisense Therapeutics announced that the DMD clinical trial was fully enrolled and that three patients had completed their 24 weeks of dosing with four patients in the treatment phase of the study and the final two patients screened and scheduled to commence their dosing.

Events After The Balance Sheet Date

On 24th July 2019 the Company advised that five patients had completed their 24 weeks of dosing in the DMD clinical trial with the remaining four patients at various points within the treatment phase of the study.

Antisense Therapeutics also advised that no Serious Adverse Events (SAE's) had been reported to that point in time and that the Data Safety Monitoring Board had been periodically evaluating the safety related trial data and had on each occasion recommended continuation of the trial with no safety concerns. Dosing of all patents in the trial is to be completed in early November 2019.

The Company advised that it expects to report trial results shortly after the completion of dosing, though as previously advised, as the Phase II DMD clinical trial is an open label study there may be an opportunity for non statistical read-outs on preliminary data prior to the completion of dosing in all patients. This would require a sufficient number of patients to have completed 24 weeks of dosing and for all patients to have passed at least the mid-point (12 week) dosing mark for the Company to be confident and certain of the robustness of such results for disclosure.

What is Duchenne Muscular Dystrophy?

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.

Operations Report (continued)

ATL1102 for Multiple Sclerosis (MS)

The Company previously reported that it had submitted an Investigational New Drug (IND) application to the FDA for the conduct of a Phase IIb trial in MS patients and had received notification from the FDA that the study could proceed at a lower (25mg/week) dose for 6 months under a partial hold introduced by the FDA.

The Company continues to consider the conditions that could allow MS patients to receive higher doses of ATL1102, including potentially generating additional data while also monitoring the progress of the ATL1102 DMD trial which could provide support for undertaking studies in MS patients at and above the FDA approved dose.

What is Multiple Sclerosis?

Multiple Sclerosis (MS) is a life-long, chronic disease that progressively destroys the central nervous system (CNS). It affects approximately 400,000 people in North America and more than 1 million worldwide. It is a disease that affects more women than men, with onset typically occurring between 20 and 40 years of age. Symptoms of MS may include vision problems, loss of balance, numbness, difficulty walking and paralysis. In Australia MS affects over 15,000 people.

ATL1103 for Acromegaly

ATL1103 also referred to as atesidorsen is an antisense drug designed to block growth hormone receptor (GHr) expression thereby reducing levels of the hormone insulin-like growth factor-I (IGF-I) in the blood and is a potential treatment for diseases associated with excessive growth hormone action. By inhibiting GHr production, ATL1103 in turn reduces IGF-I levels in the blood (serum). There are a number of diseases that are associated with excess GH and IGF-I action. These diseases include acromegaly, an abnormal growth disorder of organs, face, hands and feet; diabetic retinopathy, a common disease of the eye and a major cause of blindness; diabetic nephropathy, a common disease of the kidney and major cause of kidney failure, and certain forms of cancer.

ATL1103 is in clinical development as a treatment for acromegaly. Normalizing serum IGF-I levels is the therapeutic goal in the treatment of acromegaly and reducing the effects of IGF-I has a potential role in the treatment of diabetic retinopathy, nephropathy and certain forms of cancer. The Company conducted a successful Phase II trial of ATL1103 with the trial having met its primary efficacy endpoint by showing a statistically significant average reduction in sIGF-1 levels. The results of the Phase II trial have been published in the leading peer-reviewed medical Journal, the ***European Journal of Endocrinology***. (*Trainer et al,* Eur J Endocrinol, 2018 May 22 - 179: 97-108). The Company also conducted a high dose study of ATL1103 in adult patients with acromegaly in Australia. The US FDA and European Commission have granted Orphan Drug designation to ATL1103 for treatment of Acromegaly.

The Company executed a global agreement with innovative early access provider myTomorrows (Amsterdam, The Netherlands) to implement an Early Access Program (EAP) for ATL1103, for treatment of acromegaly that was to initially be established in selected countries within the European Union (EU).

ATL1103 drug product has been labelled and packaged and has been stored in the United Kingdom for shipment to myTommorrows in the Netherlands for potential EAP distribution subject to myTommorrows clearance for importation.

The Company advised that additional (to what has been required to support clinical trial usage) product data and documentation has had to be, and was being generated in order for the ATL1103 drug product to be supplied in accordance with required regulatory and quality standards for use in the EAP and that Antisense Therapeutics was continuing to work closely with myTommorrows in order that this process may be finalised and product imported and released by myTommorrows for use in the EAP. The Company advised it would provide further update on the program when additional information became available.

Operations Report (continued)

Events after balance date

On 26 August 2019 the Company provided a market update on the status of the EAP confirming that to date the Company has been unable to obtain myTomorrows' clearance for importation of ATL1103 drug product being stored in the United Kingdom. The Company also noted that following a review by an external Quality Person (QP), requested by myTomorrows, of the ATL1103 manufacturing documentation, the QP advised that due to the material intended for use in the EAP being supplied by a different manufacturer to the one used for the manufacture of material previously used in the Phase II clinical trial of ATL1103, it would first need to be approved by a European Health authority for use in a new clinical trial, for the material to be cleared for the EAP. The Company stated that it had not expected this clinical trial approval prerequisite for ATL1103 EAP initiation, with this new requirement coming on top of the additional data the Company had been asked by myTomorrows to collect and generate to show the comparability of the current batch of ATL1103 material to the earlier batch used in clinical trials. The Company highlighted that a new clinical trial would require a substantial financial commitment to proceed with the next phase of clinical development for ATL1103 and as the Company's current development focus was being directed towards the clinical development of ATL1102 in DMD, the Company stated that it would not apply further resources to the EAP process and would continue to direct its focus and funds on the ATL1102 for DMD program. The Company also noted though that circumstances could present in the future where the Company may have the capacity and justification to continue to invest in the further clinical development of ATL1103, including activation of an EAP and also that the Company was also continuing to pursue the potential out-licensing of ATL1103 to support and fund its ongoing clinical development and was entertaining preliminary interest from some regionally based pharmaceutical companies.

What is Acromegaly?

Acromegaly is a serious chronic life threatening disease triggered by excess secretion of growth hormone (GH) by benign pituitary tumours. Oversupply of GH over stimulates liver, fat and kidney cells, through their GH receptors, to produce excess levels of Insulin-Like Growth Factor-I (IGF-I) in the blood manifesting in abnormal growth of the face, hands and feet, and enlargement of body organs including liver, kidney and heart. The primary treatments for acromegaly are to surgically remove the pituitary gland and/or drug therapy to normalize GH and serum IGF-I levels. In North America and Europe there are approximately 85,000 diagnosed acromegaly patients with about half requiring drug therapy.

R&D Tax Incentive

During the year the Company received from the ATO a payment of $284,900 in relation to R&D expenditure incurred in the previous financial year.

Financial Position

At 30 June 2019, the Company had cash reserves (including Term Deposits of greater than three months) of $2,903,542 (2018: $4,299,059).

Events After The Balance Sheet Date

No matters or circumstances have arisen since the end of the reporting period, not otherwise disclosed in this report, which significantly affected, or may significantly affect, the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial periods.

Intellectual Property Report

Antisense Therapeutics currently has 10 patent families with 80 patents registered or in the process of being registered and 13 patent applications pending covering its two antisense drugs ATL1102 and ATL1103 and their applications. Antisense Therapeutics has also licensed from Ionis Pharmaceuticals, Ionis proprietary patents and applications directed to the antisense drug platform together with rights to other Ionis manufacturing patent families.

Since reporting on the status of the Company's intellectual property portfolio in the 2018 Annual Report the Company has expanded its patent portfolio as follows:

- European patent 13743020.3 has been registered in 10 countries and Australian patent 2014280847 has been allowed covering ATL1103 use in combination with other acromegaly treatments as follows:
    - European 13743020.3 covering ATL1103 and other antisense to GHr used in combination with second line GHr antagonist Somavert to reduce serum IGF-I and protects the invention to 2033;
    - Australian patent 2014280847 has been accepted covering ATL1103 and other antisense to GHr used in combination with first line Somatostatin analogue treatment to reduce serum IGF-I protecting the invention to 2034;
- European 15155831.9 covering ATL1102 in the treatment of relapsing and active forms of multiple sclerosis with brain lesions has been registered in 10 European countries protecting the invention to 2029;
- US patent 9,885,048 has been granted covering the use of ATL1102 in treatments to reduce circulating leukocytes to 2031;
- International application PCT/AU2018/05153 and US provisional patent application 14/404561 have been filed covering the use of ATL1102 in the ATL1102 treatment of Duchenne's Muscular Dystrophy to 2039;

The progress outlined above has added significant intellectual property to our portfolio. Patents have been registered for new applications and filed in important indications that underpin Antisense Therapeutics commercialisation plans for its antisense drugs.

Country	Patent application or Patent No.	Current Status	Expiry
ATL1103 Patent Portfolio **			
USA	7,803,781	Patent Registered	2025*
USA	8,299,039	Patent Registered	2024*
USA	8,637,484	Patent Registered	2024*
International	PCT/US2004/005896	National Phase applications	
Australia	2004217508	Patent Registered	2024*
Canada	2,517,101	Patent Registered	2024
Europe	04715642.7	Regional Phase – granted	2024*
Denmark		Patent Registered	2024*
Finland		Patent Registered	2024*
France		Patent Registered	2024*
Germany		Patent Registered	2024*
Italy		Patent Registered	2024*
Spain		Patent Registered	2024*
Sweden		Patent Registered	2024*
Switzerland		Patent Registered	2024*
The Netherlands		Patent Registered	2024*
United Kingdom		Patent Registered	2024*
Europe	11194098.7 Divisional of 04715642.7	Regional Phase - granted	
Denmark		Patent Registered	2024*
Finland		Patent Registered	2024*
France		Patent Registered	2024*
Germany		Patent Registered	2024*
Italy		Patent Registered	2024*
Spain		Patent Registered	2024*
Sweden		Patent Registered	2024*
Switzerland		Patent Registered	2024*
The Netherlands		Patent Registered	2024*

Intellectual Property Report (continued)

United Kingdom		Patent Registered	2024*
Japan	4837555	Patent Registered	2024*
Japan	2014-042448 Divisional of 2006-508878	Patent Registered	2024*
New Zealand	542595	Patent Registered	2024
USA	7,846,906	Patent Registered	2024*
USA	8,623,836	Patent Registered	2024*
ATL1103 GHBP reduction Patents			
USA	9,371,530	Patent Registered	2024*
USA	9,988,635	Patent Registered	2024*
ATL1103 Combination with Somavert Patents			
International	PCT/AU2013/000095	National Phase Applications	
Australian	2013214698	Patent Registered	2033
Canada	2863499	Under Examination	2033
Europe***	13743020.3	Regional Phase granted. Patent registered in the 10 European countries above	2033
Japan	2014-555044	Patent Registered	2033
New Zealand	629004	Patent Registered	2033
USA	9,717,778	Patent Registered	2033
USA	9,821,034	Patent Registered	2033
ATL1103 Combination with Somatostatin agonist Patents			
International	PCT/AU2014/000613	International Phase	
Australian	2014280847	Accepted	2034
Canada	2918787	Under Examination	2034
Europe***	14810926.7	Under Examination	2034
Japan	2016-518801	Under Examination	2034
New Zealand	715825	Filed	2034
USA	14/897896	Under Examination	2034
**ATL1102 MS Patent Portfolio ** **			
ATL1102 MS active brain lesion reduction Patents			
International	PCT/US2009/003760	National Phase applications	
Australia	AU 2009271678	Patent Registered	2029*
Canada	2,728562	Patent Registered	2029
Europe***	09798248.2	Regional Phase - granted	
Denmark		Patent Registered	2029*
Finland		Patent Registered	2029*
France		Patent Registered	2029*
Germany		Patent Registered	2029*
Italy		Patent Registered	2029*
Spain		Patent Registered	2029*
Sweden		Patent Registered	2029*
Switzerland		Patent Registered	2029*
The Netherlands		Patent Registered	2029*
United Kingdom		Patent Registered	2029*
Europe***	15155831.9 Divisional of 09798248.2	Allowed In the process of being registered in the 10 European countries above	2029*
Japan	2011-516297	Patent Registered	2029*
Japan	2014-208153 (Divisional of 2011-5516297)	Patent Registered	2029*
USA	8,415,314	Patent Registered	2029*

Intellectual Property Report (continued)

USA	8,759,314	Patent Registered	2029*
ATL1102 MS hypointense brain lesion reduction Patent			
International	PCT/AU2018/050598	Filed	2038
ATL1102 Methods of reducing circulating leukocytes			
Australia	2011301712	Patent Registered	2031*
Canada	2811228	Under Examination	2031*
USA	9,885,048	Patent Registered	2031*
ATL1102 Therapeutic uses and methods (for treating Muscular Dystrophy)			
US Continuation - in part	16/404561	Filed	2039
International	PCT/AU2018/051353	Filed	2039
ATL1102 Methods of mobilizing leukemia cells (for treating AML)			
International	PCT/AU 2016/051059	National Phase applications	
Australia	2016/051059	Filed	2036*
Canada	3007424	Filed	2036
Europe	16861126.7	Filed	2036*
USA	15/971938	Filed	2036*

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

** ATL1102 and ATL1103 are also protected internationally by other Ionis proprietary antisense technology patents and applications to which Antisense Therapeutics has world-wide license including US7015315 to 2023. The Ionis ATL1102 product patent family referred to in the 2018 annual report expired in 2019.

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

Director's Report

Directors

The Board of Directors of Antisense Therapeutics Limited present their report on the consolidated entity (referred to hereafter as 'the Company') consisting of Antisense Therapeutics Limited and the entities it controlled at the end of, or during, the Year Ended 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the Board of Directors report as follows:

Mr Robert W Moses BA, MBA, FAICD, FAIM, Independent Non-Executive Chairman	
Appointed to the Board	23 October 2001
Last elected by shareholders	29 November 2018
Experience	Robert (Bob) Moses was formerly Corporate Vice President of CSL Limited. Mr. Moses draws on more than 40 years' experience in the pharmaceutical/biotechnology industry. During the period 1993-2001, Mr. Moses played a central role in CSL's development internationally. Prior to joining CSL, Mr. Moses was Managing Director of commercial law firm Freehills, Chairman and CEO of a NASDAQ listed medical service company, and Corporate Manager of New Business Development at ICI (now Orica). Mr. Moses is also the former Non-Executive Chairman of TGR Biosciences Pty Ltd. Mr. Moses also spent 17 years in various management roles at the multinational pharmaceutical company Eli Lilly.
Interest in shares and options	7,200,000 ordinary shares and 1,418,888 options over ordinary shares.
Committees	Chairman of the Remuneration Committee and member of the Audit Committee.
Directorships held in other listed entities	Nil

Mr Mark Diamond BSc, MBA, Managing Director	
Appointed to the Board	31 October 2001
Experience	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.
Interest in shares and options	3,600,000 ordinary shares and 642,772 options over ordinary shares.
Committees	Nil
Directorships held in other listed entities	Nil

Director's Report (continued)

Dr Graham Mitchell AO, RDA, BVSc, FACVSc, PhD, FTSE, FAA, Independent Non-Executive Director	
Appointed to the Board	24 October 2001
Last elected by shareholders	29 November 2017
Experience	Graham Mitchell through Foursight Associates Pty Ltd ("Foursight"), formerly acted as joint Chief Scientist for Victorian Government Departments. Dr. Mitchell is a Principal and CEO of Foursight. Dr. Mitchell has held the position of Director of Research in the R&D Division of CSL Limited and for many years was a research scientist and later a Board member at The Walter & Eliza Hall Institute (WEHI).
Interest in shares and options	347,514 ordinary shares and 48,036 options over ordinary shares.
Committees	Member of the Remuneration Committee and Chairman of the Audit Committee.
Directorships held in other listed entities	Nil

Dr Gary Pace BSc, PhD, Independent Non-Executive Director	
Appointed to the Board	9 November 2015
Experience	Gary Pace has more than 40 years of experience in the development and commercialization of advanced technologies in biotechnology, pharmaceuticals, medical devices and the food industries. He has long-term board level experience with both multi-billion and small cap companies. In 2003 Dr. Pace was awarded a Centenary Medal by the Australian Government “for service to Australian society in research and development”, and in 2011 was awarded Director of the Year (corporate governance) by the San Diego Directors Forum. In addition he has held visiting academic positions at the Massachusetts Institute of Technology and the University of Queensland. Dr. Pace is an elected Fellow of the Australian Academy of Technological Sciences and Engineering.
Interest in shares and options	1,236,138 ordinary shares
Committees	Nil
Directorships held in other listed entities	Dr. Pace is currently a director of ResMed, Pacira Pharmaceuticals Inc.

Director's Report (continued)

Mr William Goolsbee BA, Independent Non-Executive Director	
Appointed to the Board	15 October 2015
Experience	William (Bill) Goolsbee was founder, Chairman and Chief Executive Officer of Horizon Medical Inc. from 1987 until its acquisition by a unit of UBS Private Equity in 2002. Mr. Goolsbee was a founding Director of ImmunoTherapy Corporation in 1993, and became Chairman in 1995, a position he held until overseeing the successful acquisition of ImmunoTherapy by AVI Biopharma, Inc. (now Sarepta Therapeutics) in 1998. Mr. Goolsbee served as Chairman of privately held BMG Pharma LLC, a pharmaceutical company, from 2006 through 2011 and of Metrodora Therapeutics until 2015.
Interest in shares and options	1,014,843 ordinary shares and 84,400 options over ordinary shares.
Committees	Nil
Directorships held in other listed entities	Mr. Goolsbee was until the end of 2016 a Director of Sarepta Therapeutics Inc.

Mr Phillip Hains, Company Secretary and Chief Financial Officer	
Appointed	9 November 2006
Experience	Phillip Hains is a Chartered Accountant operating a specialist public practice, 'The CFO Solution'. 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.

Director's Report (continued)

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

As noted in the Operations report under the section on ATL1103 for Acromegaly as an Event after the balance date, on 26 August 2019 the Company provided a market update on the status of the EAP confirming that to date the Company had been unable to obtain myTomorrows' clearance for importation of ATL1103 drug product and that the material would first need to be approved by a European Health authority for use in a new clinical trial, for the material to be cleared for the EAP. The Company stated that a new clinical trial would require a substantial financial commitment to proceed, greater than expected and as its development focus was being directed towards the clinical development of ATL1102 in DMD, the Company stated that it would not apply further resources to the EAP process and would continue to direct its focus and funds on the ATL1102 for DMD program.

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 and 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 and Financial Review

The net loss after tax of the Company for Year Ended 30 June 2019 was $2,944,499 (2018 loss : $2,331,015)

This result has been achieved after fully expensing all research and development costs.

The Company had a cash reserve of $2,903,542 at 30 June 2019. ($4,299,059 at 30 June 2018 (including Term Deposits greater than three months))

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;

Director's Report (continued)

Risk Management (continued)

- 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.

Director's Report (continued)

Risk Management (continued)

Biotechnology Companies – Inherent Risks

Pharmaceutical Research and 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 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 and 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.

Director's Report (continued)

Risk Management (continued)

Biotechnology Companies – Inherent Risks (continued)

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 and 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.

Director's Report (continued)

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			
			Audit		Remuneration *	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Mr Robert W Moses	6	6	2	2	1	1
Mr Mark Diamond	6	6	2	2	-	-
Dr Graham Mitchell	6	5	2	1	1	1
Dr Gary Pace	6	6	2	2	1	1
Mr William Goolsbee	6	6	2	2	1	1

(*) A performance and remuneration review was conducted during the April Board meeting.

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
Chairman	Dr Graham Mitchell	Mr Robert W Moses
Members	Mr Robert W Moses	Dr Graham Mitchell

Indemnification and Insurance of Directors and 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.
(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 2019. 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.

Director's Report (continued)

Indemnification of Auditors - Ernst and 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
ANPOB	19 December 2019	$0.08	68,681,794

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 2019 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:

	2019 $	2018 $
Tax compliance services	20,148	19,648
	20,148	**19,648**

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.

Director's Report (continued)

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**
Directors:	
Mr Robert W Moses	Independent Non-Executive Chairman
Mr Mark Diamond	Managing Director
Dr Graham Mitchell	Independent Non-Executive Director
Mr William Goolsbee	Independent Non-Executive Director
Dr Gary Pace	Independent Non-Executive Director
Other key management personnel:	
Dr George Tachas	Director, Drug Discovery & Patents
Ms Nuket Desem	Director, Regulatory
Mr Phillip Hains	Company Secretary

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 2019, 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 2019 $2,944,499
- Net loss financial year 2018 $2,331,015
- Net loss financial year 2017 $2,754,799
- Net loss financial year 2016 $2,514,443
- Net loss financial year 2015 $706,918

Director's Report (continued)

Remuneration Report (Audited) (continued)

2. Principles Used to Determine the Nature and Amount of Remuneration (continued)

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

- 30 June 2019 $0.045
- 30 June 2018 $0.025
- 30 June 2017 $0.033
- 30 June 2016 $0.031
- 30 June 2015 $0.12

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 $300,000 per annum.

In the year ended 30 June 2019, the Non-Executive Directors were remunerated in aggregate $240,677 per annum, excluding 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 and 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.

Director's Report (continued)

Remuneration Report (Audited) (continued)

2. Principles Used to Determine the Nature and Amount of Remuneration (continued)

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 are 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 - Short Term Incentive Scheme

All Executives are entitled to participate in the Employee Short Term Incentive Scheme which provides for annual cash bonuses for outstanding performance in the achievement of key corporate and individual objectives. The Remuneration Committee approves the issue of cash bonuses following the recommendations of the Managing Director in his review of the performance of the Executives and the Company as a whole.

The Short Term Incentive Scheme operates as follows:
The Board determines whether Executives are eligible for bonuses on an annual basis. The cash bonuses, based on the recommendations of the Managing Director for outstanding performance, are not linked to any specific Key Result Areas (KRA’s). The maximum achievable bonus for an Executive is 35% of the Executive's base salary. There were no bonuses paid under the Short Term Incentive Scheme during the year.

Variable Remuneration - Long Term Incentive Scheme

Executives may also be provided with longer-term incentives through the Company's Employee Option Plan, to allow the Executives to participate in and benefit from the growth of the Company as a result of their efforts and to assist in motivating and retaining those key employees over the long term. Continued service is the condition attached to the vesting of the options. The Board at its discretion determines the total number of options granted to each Executive. There were no options granted under the Long Term Incentive Scheme during the year.

Director's Report (continued)

Remuneration Report (Audited) (continued)

3. Details of Remuneration

A. 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 2019 was as follows:

	Short-term employee benefits	Post-employment Benefits	Long-term Benefits	
30 June 2019	**Cash salary and fees $**	**Pension and Super Contribution $**	**Long Service Leave $**	**Total** $
Directors				
Mr Robert W Moses	56,293	5,348	-	61,641
Mr Mark Diamond	391,951	27,450	26,378	445,779
Dr Graham Mitchell	36,500	3,468	-	39,968
Mr William Goolsbee (1)	69,534	-	-	69,534
Dr Gary Pace (1)	69,534	-	-	69,534
	623,812	**36,266**	**26,378**	**686,456**
Other key management personnel				
Dr George Tachas	233,910	21,707	15,836	271,453
Ms Nuket Desem (2)	146,626	12,804	9,084	168,514
Mr Phillip Hains (3)	99,000	-	-	99,000
	479,536	**34,511**	**24,920**	**538,967**
	1,103,348	**70,777**	**51,298**	**1,225,423**

(1) The US Directors are paid USD$50,000 per annum.
(2) Employee is engaged on a Part Time contract and commenced with the Company 25 July 2018.
(3) Remunerated through The CFO Solution (see Section 5 below and the Company Secretary details for further detail)

Director's Report (continued)

Remuneration Report (Audited) (continued)

3. Details of Remuneration (continued)

The remuneration for each Director and each of the other Key Management Personnel of the Company during the Year Ended 30 June 2018 was as follows:

	Short-term employee benefits	Post-employment Benefits	Long-term Benefits	
30 June 2018	Cash salary and fees $	Pension and Super Contribution $	Long Service Leave $	Total $
Directors				
Mr Robert W Moses	56,293	5,348	-	61,641
Mr Mark Diamond	366,000	27,450	6,991	400,441
Dr Graham Mitchell	36,500	3,468	-	39,968
Mr William Goolsbee (1)	65,489	-	-	65,489
Dr Gary Pace (1)	65,489	-	-	65,489
	589,771	**36,266**	**6,991**	**633,028**
Other key management personnel				
Dr George Tachas	220,185	20,918	4,206	245,309
Mr Phillip Hains (2)	99,000	-	-	99,000
	319,185	**20,918**	**4,206**	**344,309**
	908,956	**57,184**	**11,197**	**977,337**

(1) The US Directors are paid USD$50,000 per annum.
(2) Remunerated through The CFO Solution (see Section 5 below and the Company Secretary details for further detail)

Director's 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 Personal during the period as compensation.

30 June 2019	Balance at start of the year	Granted as compensation	Options exercised	Net change other	Total	Balance held nominally at the end of the reporting period
Directors						
Mr Robert W Moses	6,721,072	-	-	478,928	7,200,000	-
Mr Mark Diamond	3,442,144	-	-	157,856	3,600,000	-
Dr Graham Mitchell	347,514	-	-	-	347,514	-
Mr William Goolsbee	1,014,843	-	-	-	1,014,843	-
Dr Gary Pace	1,236,138	-	-	-	1,236,138	-
	12,761,711	-	-	636,784	13,398,495	-
Other key management personnel						
Dr George Tachas	1,536,564	-	-	-	1,536,564	-
Ms Nuket Desem	36,666	-	-	-	36,666	
Mr Phillip Hains (1)	5,602,528	-	-	-	5,602,528	
	7,175,758	**-**	**-**	**-**	**7,175,758**	-
	19,937,469	**-**	**-**	**636,784**	**20,574,253**	**-**

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

Director's Report (continued)

Remuneration Report (Audited) (continued)

4. Share-Based Compensation (continued)

Options and 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 2019	Balance at start of the year	Granted as compensation	Options exercised	Net change other	Total vested at end of the year	Total vested and exercisable at the end of the year	Balance held nominally at the end of the reporting period
Directors							
Mr Robert W Moses	1,418,888	-	-	-	1,418,888	1,418,888	-
Mr Mark Diamond	642,772	-	-	-	642,772	642,772	-
Dr Graham Mitchell	48,036	-	-	-	48,036	48,036	-
Mr William Goolsbee	84,400	-	-	-	84,400	84,400	-
Dr Gary Pace	-	-	-	-	-	-	-
	2,194,096	-	-	-	2,194,096	2,194,096	-
Other key management personnel							
Dr George Tachas	153,808	-	-	-	153,808	153,808	-
Ms Nuket Desem	7,334	-	-	-	7,334	7,334	
Mr Phillip Hains (1)	928,471	-	-	-	928,471	928,471	
	1,089,613	**-**	**-**	**-**	**1,089,613**	**1,089,613**	-
	3,283,709	**-**	**-**	**-**	**3,283,709**	**3,283,709**	**-**

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

Director's 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, Mr Mark Diamond and other Key Management Personnel were formalised in contracts of employment. Mr Mark Diamond is employed under a contract, which commenced on 31 October 2001. Subsequent to this contract a notice period for Mr Diamond of between two and four months was negotiated depending upon the party ending the agreement.

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.

Ms Nuket Desem is employed under a contract which commenced 25 July 2018. This contract provides for a notice period of one month 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 were provided. The contract commenced on 9 November 2006 and can be terminated with three months' notice of either party.

6. Additional Information

(a) Equity issued as part of remuneration for the year ended 30 June 2019

During the financial year ended 30 June 2019**,** Nil options have been exercised. No options were granted or lapsed by any of the Key Management Personnel.

(b) Loans to Directors and Other Key Management Personnel

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

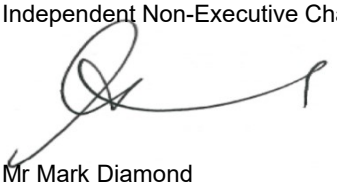
(c) Other transactions with Other Key Management Personnel

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.



Mr Robert W Moses
Independent Non-Executive Chairman



Mr Mark Diamond
Managing Directer and Chief Executive Officer

Dated: This day 30th day of August 2019

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Building a better working world

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 2019, 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; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Antisense Therapeutics Limited and the entities it controlled during the financial year.

Ernst & Young

Joanne Lonergan
Partner
30 August 2019

Corporate Governance

The Board of Directors of Antisense Therapeutics Limited ("the Company") is responsible for the corporate governance of the Company and guides and monitors the business and affairs of the Company on behalf of its shareholders.

The format of the Corporate Governance Statement is based on the Australian Stock Exchange Corporate Governance Council's ("the Council") "Corporate Governance Principles and Recommendations". In accordance with the Council's recommendations, the Corporate Governance Statement must contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together will the reasons for the departure. The Company's Corporate Governance Statement is structured with reference to the Council's principles and recommendations, which are as follows:

Principle 1.Lay solid foundations for management and oversight
Principle 2.Structure the board to add value
Principle 3.Act ethically and responsibly
Principle 4.Safeguard integrity in corporate reporting
Principle 5.Make timely and balanced disclosure
Principle 6.Respect the rights of shareholders
Principle 7.Recognise and manage risk
Principle 8.Remunerate fairly and responsibly

Commensurate with the spirit of the ASX Corporate Governance Principles and Recommendations, the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where the Company's corporate governance practices depart from the Principles and Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

The Company's corporate governance practices were in place throughout the year ended 30 June 2019. For further information on the corporate governance policies adopted by the Company, please refer to its website: www.antisense.com.au.

Principle 1: Lay solid foundations for management and oversight

Role of the Board

It is the role of the Board of Directors to represent and protect the interests of the Company's shareholders. The Board is responsible for the corporate governance of the Company and guides and monitors the business and affairs of the Company.

In furtherance of its responsibilities, the Board of Directors will:

- review, evaluate, provide input into and approve, on a regular basis, the Company's corporate governance strategy;
- monitor senior management's performance and implementation of strategy, and ensure appropriate resources are available;
- review, evaluate and approve the Company's budget and forecasts;
- review, evaluate, approve and monitor major resource allocations and capital investments, and any acquisitions and divestitures;
- review and monitor the financial and operating results of the Company;
- review and evaluate the overall corporate organisational structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- review, evaluate and approve compensation strategy as it relates to senior management of the Company;

Corporate Governance (continued)

Principle 1: Lay solid foundations for management and oversight (continued)

Role of the Board (continued)

- review and ratify systems of risk management and internal compliance and control, codes of conduct, and legal compliance;
- appoint and remove the Managing Director (Chief Executive Officer);
- ratify the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary;
- monitor its own performance and recommend and implement appropriate changes in composition and size.

Role of Management

Through the Chief Executive Officer / Managing Director, management is responsible to the Board for the:

(1) Development and implementation of agreed corporate strategy and performance objectives;
(2) Undertaking the day to day activities of the Company;
(3) Identifying all matters to be included in a risk profile of the Company and ensuring that effective risk management systems are implemented and adhered to;
(4) Observing the code of conduct;
(5) Ensuring that the Board is fully informed of all matters which may have a material impact on the ability of the Company to meet its obligations.

Board Appointments

The Company undertakes comprehensive reference checks prior to appointing a director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

The Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

Corporate Governance (continued)

Principle 1: Lay solid foundations for management and oversight (continued)

Diversity

The Company values the differences between its personnel and the valuable contribution that these differences can make to the Company. The Company is an equal opportunity employer and aims to recruit executives and employees from as diverse a pool of qualified candidates as reasonably possible based on their skills, qualifications and experience.

The Company is committed to increasing diversity amongst its employees, and not just in the area of gender diversity. Our workforce is employed based on the right person for the job regardless of their gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability or appearance.

Executive and Board positions are filled by the best candidates available without discrimination. The Company is committed to increasing gender diversity within these positions when appropriate appointments become available. The Company is also committed to identifying suitable persons within the organisation, and where appropriate opportunities exist, advance diversity to support the promotion of talented employees into management positions.

The Company has not set any gender specific diversity objectives as it believes that multicultural diversity and other diversity factors are equally important within its organisation.

The following table demonstrates the Company's gender diversity as at 30 June 2019:

	Number of Males	Number of Females
Directors	5	-
Key Management Personnel	1	1
Other Company employees	-	1

Board Performance Review

The Board considers the ongoing development and improvement of its own performance, the performance of individual directors and Board Committees as critical to effective governance.

The Board has adopted an informal self-evaluation process to measure its own performance. The performance of the Board and individual directors is reviewed at least every year by the Board as a whole. This process includes a review in relation to the composition and skills mix of the Directors of the Company. Performance reviews involve analysis based on key performance indicators aligned with the financial and non-financial objectives of the Company. A performance review in accordance with the processes disclosed occurred during the 2019 financial year.

Performance Review of KMP

On at least an annual basis, the Board conducts a formal performance review of the Chief Executive Officer and any other key management personnel (KMP). The Board assesses the performance of KMP against qualitative and quantitative key performance indicators relevant to each KMP. A performance review of KMP occurred during the 2019 financial year in accordance with this process.

Independent Advice

The Board has procedures to allow Directors, in the furtherance of their duties, to seek independent professional advice at the Company's expense.

Corporate Governance (continued)

Principle 2: Structure the Board to add value

Board composition

The length of service, skills, experience and expertise of each Director in office at the date of this report and throughout the 2019 financial year are included in the Directors' Report under the section headed 'Directors'. The Company's Board Charter stipulates that at least 50% of the Directors on the board should be independent Directors. Directors of Antisense Therapeutics Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

In the context of Director independence, to be considered independent, a Non-Executive Director may not have a direct or indirect material relationship with the Company. The board considers that a material relationship is one which impairs or inhibits, or has the potential to impair or inhibit, a Director's exercise of judgement on behalf of the Company and its shareholders.

From a quantitative perspective, an item is considered to be quantitatively immaterial if it is equal to or less than 5% of the relevant base amount. It is considered to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the relevant base amount.

In accordance with the definition of independence above, and the materiality thresholds described, the majority of Directors are independent as set out below:

Name	Position
Mr Robert W Moses	Independent Non-Executive Chairman
Dr Graham Mitchell	Independent Non-Executive Director
Dr Gary Pace	Independent Non-Executive Director
Mr William Goolsbee	Independent Non-Executive Director

In accordance with the definition of independence above, and the materiality thresholds described, the majority of Directors are independent as set out below:

Name	Term in Office
Mr Robert W Moses	17 years
Mr Mark Diamond	17 years
Dr Graham Mitchell	17 years
Mr William Goolsbee	3 years
Dr Gary Pace	3 years

To ensure the Board is appropriately equipped to discharge its responsibilities, it has developed guidelines for the nomination and selection of Directors and for the operation of the Board. As the Antisense Therapeutics Limited's Board is not a large board, a formal nomination committee has not been established, as it is perceived that no real efficiencies would be gained from the existence of such a committee. The charter of the nomination committee has been incorporated into the Board Charter and by this action the Board of Directors considers all matters that would be relevant for a nomination committee. For additional details please refer to the Company's Board Charter on its website.

Induction of New Directors and Ongoing Development

Any new Directors will be issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.

A new director induction program is in place and Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Corporate Governance (continued)

Principle 3: Act ethically and responsibly

Code of Conduct
As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders.

The Board acknowledges the legitimate interest of various stakeholders such as employees, clients, customers, government authorities, creditors and the community as a whole. As a good corporate citizen, it encourages compliance and commitment to appropriate corporate practices that are fair and ethical via its 'Code of Conduct'.

Trading in Company Securities
The Company has a 'Code of Practice - Buying & Selling of Shares' that regulates the dealings by Directors and employees, in shares, options and other securities issued by the Company. The policy has been formulated to ensure that Directors and employees are aware of the legal restrictions on trading in Company securities while in possession of unpublished price sensitive information.

Principle 4: Safeguard integrity in corporate reporting

Audit Committee
The Audit Committee operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective control framework exists within the entity. This includes ensuring that there are internal controls to deal with both the effectiveness and efficiency of significant business processes. This includes the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations. The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the Company to the Audit Committee.

The Audit Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial statements. All members of the Audit Committee are Non-Executive Directors. The Audit Committee is also responsible for the nomination of the external auditor and for reviewing the adequacy of the scope and quality of the annual statutory audit and half year statutory review. The Audit Committee Charter can be found on the Company's website.

The Audit Committee consists of two independent Non-Executive Directors. Given the current size of the Company, the Board believes that an Audit Committee consisting of two members is sufficient to enable the committee to discharge its mandate effectively. The members of the Audit Committee during the year were Dr Graham Mitchell (Chairperson) and Mr Robert W Moses.

For details on the number of meetings for the Audit Committee held during the year and the attendances at those meetings, refer to the Directors' Report under the section headed 'Meetings of Directors'.

CEO and CFO Declarations
The CEO and CFO have provided the Board with a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Corporate Governance (continued)

Principle 4: Safeguard integrity in corporate reporting (continued)

External Auditor

The Company's external auditor attends each annual general meeting and is available to answer any questions with regard to the conduct of the audit and their report.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the audit partner responsible for the audit not perform in that role for more than five years.

Principle 5: Making timely and balanced disclosure

The Company has a Disclosure Policy which outlines the disclosure obligations of the Company as required under the ASX Listing Rules and Corporations Act. The policy is designed to ensure that procedures are in place so that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded.

The Board has designated the Company Secretary as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with ASX Listing Rules the Company immediately notifies the ASX of information concerning the Company:

(a) that a reasonable person would or may expect to have a material effect on the price or value of the Company's securities; and
(b) that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Principle 6: Respect the rights of shareholders

The Company is committed to providing current and relevant information to its shareholders.

The Company respects the rights of its shareholders, and to facilitate the effective exercise of the rights, the Company is committed to:

(a) communicating effectively with shareholders through ongoing releases to the market via ASX information and general meetings of the Company;
(b) giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
(c) making it easy for shareholders to participate in general meetings of the Company; and

Any shareholder wishing to make inquiries of the Company is advised to contact the registered office. All public announcements made by the Company can be obtained from the ASX's website www.asx.com.au.

Shareholders may elect to, and are encouraged to, receive communications from the Company and its securities registry electronically.

The Company maintains information in relation to its corporate governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company’s website.

Corporate Governance (continued)

Principle 7: Recognise and managing risk

The Board is committed to the identification, assessment and management of risk throughout the Company's business activities.

The Board has established a policy for risk oversight and management within the Company. This is periodically reviewed and updated. Management reports risks identified to the Board through the monthly Operations Report, and via direct and timely communication to the Board where and when applicable. During the reporting period, management has reported to the Board as to the effectiveness of the Company's management of its material business risks. The Company does not have an internal audit function.

The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks.

The Company does not have separate risk committee. The Board as whole is responsible is responsible for overseeing the establishment and implementation of the risk management system. Due to the size of the Board and the Company, it is perceived that no real efficiencies would be gained from the existence of separate risk committee.

The Board review's the entity's risk management framework at least annually to satisfy itself that it continues to be sound. A review of the Company's risk management framework was conducted during the 2019 financial year.

Principle 8: Remunerate fairly and responsibly

It is the Company's objective to maintain a high quality Board and executive team by remunerating Directors at relevant market conditions. To assist in achieving this objective the Remuneration Committee remunerates Directors and executives having regard to their performance and the performance of the Company.

The expected outcomes of the remuneration policies and practices are to enable the Company to motivate, retain and attract Directors and executives who will create value for shareholders.

Details relating to the policy for performance evaluation and the amount of remuneration (monetary and non-monetary) paid to each Director and to each of the five highest-paid (non-director) executives during the year, are set out in the Directors' Report under the section headed 'Remuneration Report'.

The members of the Remuneration Committee at the date of this report were all independent Non-Executive Directors, being Mr Robert W Moses and Dr Graham Mitchell. Details relating to performance evaluation are set out in the Directors' Report under the section headed 'Remuneration Report'. For details on the number of meetings of the Remuneration Committee held during the year and the attendees at those meetings, refer to the Directors' Report under the section headed 'Meetings of Directors'.

In accordance with the Company's share trading policy, participants in any equity based incentive scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

Further details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Notes	2019 $	2018 $
Interest from external parties		66,168	25,553
Government grants		10,098	-
Other income		576,690	272,424
		652,956	**297,977**
Depreciation expenses	4	(5,377)	(6,413)
Administrative expenses	4	(1,563,390)	(1,282,542)
Occupancy expenses	4	(115,879)	(114,062)
Patent expenses	4	(137,761)	(210,316)
Research and development expenses	4	(1,760,729)	(1,006,810)
Foreign exchange (gains)/losses	4	(14,319)	(8,849)
Loss before tax		**(2,944,499)**	**(2,331,015)**
Income tax benefit	5	-	-
Loss for the year		**(2,944,499)**	**(2,331,015)**
Other comprehensive income/(loss) for the year, net of tax		**-**	**-**
Total comprehensive loss for the year, net of tax		**(2,944,499)**	**(2,331,015)**
Loss per share			
Basic loss per share (cents)	8	(0.76)	(1.20)
Diluted loss per share (cents)	8	(0.76)	(1.20)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	9	2,903,542	1,899,059
Trade and other receivables	10	606,468	331,162
Prepayments		186,221	164,235
Other current assets	11	-	2,400,000
		3,696,231	4,794,456
Non-current assets			
Plant and equipment	12	2,299	7,675
		2,299	7,675
Total assets		**3,698,530**	**4,802,131**
Liabilities			
Current liabilities			
Trade and other payables	13	551,486	332,619
Employee benefit liabilities	14	328,269	248,241
		879,755	580,860
Non-current liabilities			
Non-current portion of employee benefit liability	14	9,084	-
Total liabilities		**888,839**	**580,860**
Net assets		**2,809,691**	**4,221,271**
Equity			
Contributed equity	15	63,938,429	62,405,510
Accumulated losses		(61,128,738)	(58,184,239)
Total equity		**2,809,691**	**4,221,271**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2019

		Contributed equity (Note 15)	Accumulated losses	Total
		$	$	$
As at 1 July 2017		**57,706,647**	**(55,853,224)**	**1,853,423**
Loss for the period		-	(2,331,015)	(2,331,015)
Total comprehensive income		-	(2,331,015)	(2,331,015)
Issue of share capital (Note 15)		5,040,653	-	5,040,653
Transactions costs on options issues/capital raising		(344,350)	-	(344,350)
Shares issued		2,560	-	2,560
At 30 June 2018		**62,405,510**	**(58,184,239)**	**4,221,271**
		(Note 15)		
As at 1 July 2018		**62,405,510**	**(58,184,239)**	**4,221,271**
Loss for the period		-	(2,944,499)	(2,944,499)
Total comprehensive income		-	(2,944,499)	(2,944,499)
Issue of share capital	15.a	1,600,000	-	1,600,000
Transactions costs on options issues/capital raising	15.a	(67,081)	-	(67,081)
At 30 June 2019		**63,938,429**	**(61,128,738)**	**2,809,691**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2019

	Notes	2019 $	2018 $
Operating activities			
Payments to suppliers and employers		(3,288,028)	(2,718,085)
Interest received		74,692	16,918
R&D tax concession refund		284,900	399,374
Net cash flows used in operating activities	**19**	**(2,928,436)**	**(2,301,793)**
Investing activities			
Term Deposits (Over 90+ days)		2,400,000	(2,400,000)
Net cash flows from/(used in) investing activities		**2,400,000**	**(2,400,000)**
Financing activities			
Proceeds from issue of securities		1,600,000	5,043,214
Capital raising costs		(67,081)	(344,350)
Net cash flows from financing activities		**1,532,919**	**4,698,864**
Net decrease in cash and cash equivalents		1,004,483	(2,929)
Cash and cash equivalents at 1 July	9	1,899,059	1,901,988
Cash and cash equivalents at 30 June	9	**2,903,542**	**1,899,059**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2019

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 2019 was authorised for issue in accordance with a resolution of the Directors on 28th August 2018. The financial report is for the Company consisting of Antisense Therapeutics Limited and its subsidiaries.

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.

Reclassification
Certain amounts reported in prior years in the financial statements have been reclassified to conform to the current year's presentation.

For the Year Ended 30 June 2019

1. Significant Accounting Policies (continued)

1.b Basis of Preparation (continued)

Going Concern

The Directors have prepared the 2019 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 $2,944,499 during the year ended 30 June 2019 ($2,331,015 to 30 June 2018) and incurred an operating cash outflow of $2,928,436 ($2,301,793 year to 30 June 2018). The cash balance at 30 June 2019 is $2,903,542 ($4,299,059 as at 30 June 2018).

As at 30 June 2019, the Company had a net assets position of $2,809,691 (June 2018: $4,221,271) and current assets exceed current liabilities by $2,807,392 (June 2018: current assets exceed current liabilities by $4,213,596). The Company anticipates receiving an R&D Tax incentive refund later in this calendar year in relation to R&D expenditure for the year ending 30 June 2019 (including that associated with the ongoing clinical trial of ATL1102 in DMD).

While the Company projects that its existing cash reserves and the anticipated tax refund should fund operations into 2020, the Company will need to access additional capital for further development of its various development projects and to continue to pay its debts as and when they fall due. The Company has approximately 68.7 million listed options ($0.08 excercisable, expiry 19 December 2019) which if exercised could provide a substantial capital influx (over $5.4 million if fully executed).

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 progress of its development activities including the ongoing clinical trial of ATL1102 in DMD. 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.

For the Year Ended 30 June 2019

1. Significant Accounting Policies (continued)

1.d New, Revised or Amending Accounting Standards and Interpretations Adopted

The following new, revised or amended Accounting Standards have been adopted for the year ended 30 June 2019:

The Company has adopted AASB 9 from 1 July 2018.

Financial assets are measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. Debt investments are measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the consolidated entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

Allowances for impairment are recognised using an 'expected credit loss' ('ECL") model. Impairment is measured using a 12 month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Company has applied AASB 9 retrospectively. Adoption of AASB9 has resulted in changes of accounting policies but no adjustment to the financial statements comparatives.

For the Year Ended 30 June 2019

1. Significant Accounting Policies (continued)

1.d New, Revised or Amending Accounting Standards and Interpretations Adopted (continued)

The following Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and therefore have not been adopted by the Company for the annual reporting period ended 30 June 2019:

- (a) AASB 15 *Revenue from Contracts with Customers*

  The Company has adopted AASB 15, which supersedes AASB 111 Construction Contracts, AASB 18 Revenue and relater Interpretations, from 1 July 2018. Revenue from contracts with customers is recognised to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This is based on a contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an impairment expense rather than adjusted against revenue. Contracts with customers are presented in the statement of financial position as a contract liability, a contract asset or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contact are, subject to certain criteria, capitalised as an asset and amortised over the contract period.

  In applying AASB15, the Company has elected to use the modified retrospective method, and did not restate the comparatives. On applying this standard, there were no material adjustments required or impact on the financial statements, as there is currently no revenue from customer contracts.

For the Year Ended 30 June 2019

1. Significant Accounting Policies (continued)

1.d New, Revised or Amending Accounting Standards and Interpretations Adopted (continued)

Title of standard	**AASB 16 *Leases***
Nature of change	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.
Impact	The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend on the composition of the Company's lease portfolio, the extent to which the Company chooses to use practical expedients and recognition exemptions, final discount rates used in calculating the lease liability, final determination of reasonably certain renewal options and the new accounting policies which are subject to change until the Company presents its financial statements that include the date of initial application. The group expects to recognise right-of-use assets and lease liabilities within an approximate range of $210,000 to $240,000 on 1 July 2019 (after adjustments for prepayments and accrued lease payments recognised as at 30 June 2019). Overall net assets will be approximately $5,000 to $7,000 lower, and net current assets will be approximately $125,000 to $130,000 lower due to the presentation of a portion of the liability as a current liability. As at the reporting date, the Company has non-cancellable operating lease commitments of $249,480, see Note 17. The Company does not act in the capacity as a lessor and hence the Company does not expect any lessor impact on the consolidated financial statements.
Mandatory application date/ Date of adoption by Company	The Company will apply the standard from its mandatory adoption date of 1 July 2019. The Company intends to apply the modified retrospective transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

1.e Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Antisense Therapeutics Ltd as at 30 June 2019 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities where the Company is exposed, or has rights, to variable returns from the Company’s involvement with the entity and has the ability to affect those returns through the Company’s power to direct the activities of the entity.The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits/losses arising within the consolidated entity are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Investments in subsidiaries are accounted for at cost in the separate financial statements of Antisense Therapeutics Limited.

For the Year Ended 30 June 2019

1. Significant Accounting Policies (continued)

1.f Summary of Significant Accounting Policies

a) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all grant conditions will be complied with.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is expected to compensate.

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

b) Borrowing Costs

Borrowing costs are expensed using the effective interest method.

c) Leases

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

d) Cash and Cash Equivalents

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

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

e) 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.

f) Income Taxes

Deferred income tax is provided on all 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.

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.

For the Year Ended 30 June 2019

1. Significant Accounting Policies (continued)

f) Income Taxes (continued)

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.

g) Goods and Services Tax (GST)

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

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

Cash flows arising from operating activities are included in the 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.

h) Plant and 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:

For the Year Ended 30 June 2019

1. Significant Accounting Policies (continued)

h) Plant and Equipment (continued)

	Life	Method
Equipment	3-5 years	Straight line

i) Research and Development Costs

Research costs are expensed as incurred.

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

j) 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.

k) Trade and 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.

l) 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.

For the Year Ended 30 June 2019

1. Significant Accounting Policies (continued)

m) 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.

n) Earnings Per Share

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

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

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

o) Parent Information

The financial information for the parent entity, Antisense Therapeutics Limited, disclosed in Note 2 has been prepared on the same basis as the consolidated statements with the exception of investments in subsidiaries which are carried at costs less any impairment.

For the Year Ended 30 June 2019

2. Information Relating to the Antisense Therapeutics Limited (the Parent)

	2019	2018
	$	$
Assets		
Current assets	3,696,231	4,794,456
Non-current assets	2,299	7,675
Total assets	**3,698,530**	**4,802,131**
Liabilities		
Current liabilities	879,755	580,860
Non-current liabilities	9,084	-
Total liabilities	**(888,839)**	**(580,860)**
Equity		
Contributed equity	63,938,429	62,405,510
Retained earnings	(61,128,738)	(58,184,239)
Total equity	**2,809,691**	**4,221,271**
Net loss for the year	(2,944,499)	(2,331,015)
Total comprehensive loss of the Parent entity	(2,944,499)	(2,331,015)

3. Revenue and Other Income

	2019	2018
	$	$
Revenue		
Government grants	10,098	-
Interest from external parties	66,168	25,553
Total revenue	**76,266**	**25,553**
Other income		
Research and development tax concession	576,690	272,424
Total other income	**576,690**	**272,424**
Total revenue and other income	**652,956**	**297,977**

4. Expenses

	2019	2018
	$	$
Administrative expenses		
Compliance expenses	251,856	221,922
Office expenses	43,830	38,609
Corporate employee expenses	894,931	678,913
Business development expenses	372,773	343,098
Total administrative expenses	**1,563,390**	**1,282,542**
Occupancy expenses		
Rent	106,710	100,999
Other expenses	9,169	13,063
Total occupancy expenses	**115,879**	**114,062**

For the Year Ended 30 June 2019

4. Expenses (continued)

	2019	2018
	$	$
Research and development expenses		
ATL 1102	774,219	364,427
ATL 1103	316,470	420,606
Research & Development	670,040	221,777
Total research and development expenses	**1,760,729**	**1,006,810**
Patent expenses	137,761	210,316
Depreciation expenses	5,377	6,413
Foreign exchange (gains)/losses	14,319	8,849
Total expenses	**3,597,455**	**2,628,992**

5. Income Tax

	2019	2018
	$	$
Accounting loss before income tax	**2,944,499**	**2,331,015**
At Australia's statutory income tax rate of 27.5% (2018: 27.5%)	(809,737)	(641,029)
Research and development tax concession	494,400	685,971
Non-assessable grant income	(158,590)	(81,727)
Section 40-880 deductions	(36,984)	(39,377)
Entertainment	1,192	1,032
Tax losses not recognised	**509,719**	**75,130**
Income tax expense reported in the statement of profit or loss	-	-
Income tax attributable to a discontinued operation	-	-
Income tax expense/(benefit) attributable to the Company	**-**	**-**

For the Year Ended 30 June 2019

5. Income Tax (continued)

Deferred Tax

Deferred tax assets and liabilities:

	2019	2018
	$	$
Accruals	-	(8,308)
Provision for annual leave & long service leave	24,505	(20,092)
Other	(3,468)	1,569
Net deferred tax asset/ (liability) not recognised	**21,037**	**(26,831)**
Previously unbooked losses	(21,037)	26,831
Net deferred tax asset/ (liability)	**-**	**-**

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.

	2019	2018
	$	$
Unused tax losses for which no deferred tax asset has been recognised	46,695,391	44,841,864
	46,695,391	**44,841,864**

6. Key Management Personnel Compensation

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

	2019	2018
	$	$
Short-term employee benefits	1,103,348	908,956
Post-employment benefits	70,777	57,184
Long-term benefits	51,298	11,197
	1,225,423	**977,337**

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

For the Year Ended 30 June 2019

7. Auditors' remuneration

The auditor of Antisense Therapeutics Limited is Ernst and Young.

	2019	2018
	$	$
Amounts received or due and receivable by Ernst and Young for:		
An audit or review of the financial report of the entity	58,240	50,985
Other services in relation to the entity:		
Tax compliance services	20,148	19,648
	78,388	**70,633**

8. 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 (after adjusting for interest on the convertible preference shares) 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:

	2019	2018
	$	$
Net profit/(earnings/(losses)) used in the calculation of basic and diluted earnings/(losses) per share	(2,944,449)	(2,331,015)
Weighted average number of ordinary shares for basic EPS	386,097,675	194,630,185
Adjustments for calculation of diluted earnings/(losses) per share:		
Weighted average number of ordinary shares adjusted for the effect of dilution	**386,097,675**	**194,630,185**

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

As at 30 June 19, the Company had 68,681,794 options outstanding, which are convertible into 68,681,794 ordinary shares at $0.08 exercise price, at the election of the option holders. Upon conversion, these shares could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the current period.

For the Year Ended 30 June 2019

9. Cash and Cash Equivalents

	2019	2018
	$	$
Cash at bank and on hand	403,542	399,059
Short-term deposits	2,500,000	1,500,000
	2,903,542	**1,899,059**

The interest rate on cash at bank at 30 June 2019 was 0.10%p.a. (2018: 0.10% p.a.). And the interest rates on term deposits at 30 June 2019 were 1.95% p.a. (2018: 2.24% p.a.) for 30 days, 1.83% p.a (2018: 2.30%) for 60 days,1.74% p.a. (2018: 2.30%) for 90 days. The term deposits have maturity periods of 60 days and 90 days.

10. Trade and Other Receivables

	2019	2018
	$	$
Trade receivables	834	-
Government grants	10,098	-
Research and development tax concession receivable	564,043	272,253
Interest receivable	3,376	11,900
Other receivables	28,117	47,009
	606,468	**331,162**

11. Other current assets

	2019	2018
	$	$
Term deposit (greater than 3 months)	-	2,400,000
	-	**2,400,000**

The interest rates on term deposits at 30 June 2018: 2.42% for 120 days and 1.45% (2018: 2.55% and 2.48%) for 180 days.

For the Year Ended 30 June 2019

12. Property, Plant and Equipment

	Property, plant and equipment
	$
Cost	
At 1 July 2017	191,645
At 30 June 2018	**191,645**

	$
At 1 July 2018	191,645
At 30 June 2019	**191,645**

	$
Depreciation and impairment	
At 1 July 2017	(177,557)
Depreciation charge for the year	(6,413)
At 30 June 2018	**(183,970)**

	$
At 1 July 2018	(183,970)
Depreciation charge for the year	(5,377)
At 30 June 2019	**(189,347)**

	2019	2018
	$	$
Gross value	191,645	191,645
Accumulated depreciation	(189,346)	(183,970)
	2,299	**7,675**

13. Trade and Other Payables

	2019	2018
	$	$
Trade payables	227,130	103,755
Accrued expenses	319,779	224,287
Other payables	4,577	4,577
	551,486	**332,619**

For the Year Ended 30 June 2019

14. Employee Benefit Liabilities

	2019	2018
	$	$
Current		
Current employee provisions	328,269	248,241
	328,269	**248,241**

	2019	2018
	$	$
Non-current		
Long service leave	9,084	-
	9,084	**-**

15. Contributed Equity

	Notes	2019 $	2018 $
Ordinary fully paid shares	15.a	62,698,317	61,165,398
Options over ordinary shares	15.b	1,240,112	1,240,112
		63,938,429	**62,405,510**

a Ordinary shares

Reconciliation of share movement in the period:

	No.	2019 $	No.	2018 $
At the beginning of the period	371,618,638	61,165,398	161,559,408	56,466,535
Shares issued during the year	48,484,849	1,600,000	210,059,230	5,043,213
Transaction costs relating to share issues	-	(67,081)	-	(344,350)
	420,103,487	**62,698,317**	**371,618,638**	**61,165,398**

For the Year Ended 30 June 2019

15. Contributed Equity (continued)

a Ordinary shares (continued)

Details of movement in shares:

2019	Details	Numbers	Issue price	AUD
			$	$
13 March 2019	Share Placement	48,484,849	0.0333	1,600,000
		48,484,849		1,600,000

2018	Details	Numbers	Issue price	AUD
			$	$
06 April 2018	Institutional Placement to Australian Ethical Investment	24,233,911	0.024	581,614
07 May 2018	Non-Renounceable Entitlement Issue	181,045,377	0.024	4,345,089
09 May 2018	Non-Renounceable Entitlement Issue	4,747,942	0.024	113,950
28 June 2018	Conversion of Options (ANPOB)	32,000	0.08	2,560
		210,059,230		5,043,213

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.

b Options

Reconciliation of option movement in the period:

	No.	2019	No.	2018
		$		$
At the beginning of the period	68,681,794	1,240,112	68,713,794	1,240,112
Options exercised during the period	-	-	(32,000)	-
	68,681,794	**1,240,112**	**68,681,794**	**1,240,112**

16. Reserves

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

During the year ended 30 June 2019 there was no activity. There was no activity during the year ended 30 June 2018 other than options exercised.

For the Year Ended 30 June 2019

16. Reserves (continued)

Options Outstanding as at 30 June 2019:

	No. of Options
	20 Dec 2016
On issue at beginning of year	68,681,794
Issued during the year	-
Exercised during the year	-
Expired during the year	-
Forfeited during the year	-
Outstanding at balance sheet date	**68,681,794**
Expired subsequent to balance date	-
Exercised subsequent to balance date	-
Outstanding at date of Directors' Report	**-**
Original number of recipients	1,529
Number of current holders	1,529
Exercise price	$0.08
Exercise period from	20 Dec 2016
To (expiration day)	19 Dec 2019
The following proportion of options vest from the dates shown:	
100%	19 Dec 2019

17. Commitments and Contingencies

Operating Lease Commitments

Future minimum rentals payable under non-cancellable operating leases as at 30 June are, as follows:

	2019	2018
	$	$
Within one year	110,430	27,000
After one year but not more than five years	139,050	-
	249,480	**27,000**

For the Year Ended 30 June 2019

17. Commitments and Contingencies (continued)

Operating Lease Commitments (continued)

The lease expenditure commitments relate to the leasing of office premises which is contractually non-cancellable operating lease commitment excluding any extension options. The existing lease expiries 30 September 2019; has been executed and extended with an expiry now to 30 September 2021

There are no contingencies in the current or preceding year.

18. 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 expenses that do not directly relate to these two operating segments have been currently reported as unallocated.

	ATL1102 $	ATL1103 $	Unallocated (Note a) $	Total $
30 June 2019				
Segment revenue	564,043	12,647	76,266	652,956
Segment result	(950,566)	(407,739)	(2,239,150)	(3,597,455)
Net result	(386,523)	(395,092)	(2,162,884)	(2,944,499)

	ATL1102 $	ATL1103 $	Unallocated (Note a) $	Total $
30 June 2018				
Segment revenue	-	272,424	25,553	297,977
Segment result	(96,349)	(385,024)	(2,147,619)	(2,628,992)
Net result	(96,349)	(112,600)	(2,122,066)	(2,331,015)

For the Year Ended 30 June 2019

18. Operating Segment (continued)

a Unallocated breakdown

	2019	2018
	$	$
Unallocated revenue		
Interest from external parties	76,266	25,553
	76,266	**25,553**
Unallocated result		
Compliance expenses	(251,856)	(221,922)
Business development expenses	(372,773)	(343,098)
Employee expenses	(1,258,204)	(900,690)
Patent expenses	(137,761)	(210,316)
Other expenses	(218,557)	(471,593)
	(2,239,151)	**(2,147,619)**

19. Cash Flow Information

Reconciliation of cash flow from operations with loss after income tax

	2019	2018
	$	$
Cash flow reconciliation		
Reconciliation of net loss after tax to net cash flows from operations:		
Net loss before tax	**(2,944,499)**	**(2,331,015)**
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation expense	5,377	6,413
Working capital adjustments:		
Movement in trade and other receivables	(275,306)	96,740
Movement in prepayments	(21,986)	870
Movement in trade and other payables	218,867	(31,736)
Movement in other current assets	-	30,000
Movement in provisions	89,111	(73,065)
Net cash flows used in operating activities	**(2,928,436)**	**(2,301,793)**

For the Year Ended 30 June 2019

20. Events After the Reporting Period

As noted in the Operations Report under the section on ATL1103 for Acromegaly as an Event after the balance date, on 26 August 2019 the Company provided a market update on the status of the EAP confirming that to date the Company has been unable to obtain myTomorrows' clearance for importation of ATL1103 drug product being stored in the United Kingdom. The Company also noted that following a review by an external Quality Person (QP), requested by myTomorrows, of the ATL1103 manufacturing documentation, the QP advised that due to the material intended for use in the EAP being supplied by a different manufacturer to the one used for the manufacture of material previously used in the Phase II clinical trial of ATL1103, it would first need to be approved by a European Health authority for use in a new clinical trial, for the material to be cleared for the EAP. The Company stated that it had not expected this clinical trial approval prerequisite for ATL1103 EAP initiation, with this new requirement coming on top of the additional data the Company had been asked by myTomorrows to collect and generate to show the comparability of the current batch of ATL1103 material to the earlier batch used in clinical trials. The Company highlighted that a new clinical trial would require a substantial financial commitment to proceed with the next phase of clinical development for ATL1103 and as the Company's current development focus was being directed towards the clinical development of ATL1102 in DMD, the Company stated that it would not apply further resources to the EAP process and would continue to direct its focus and funds on the ATL1102 for DMD program. The Company also noted though that circumstances could present in the future where the Company may have the capacity and justification to continue to invest in the further clinical development of ATL1103, including activation of an EAP and also that the Company was also continuing to pursue the potential out-licensing of ATL1103 to support and fund its ongoing clinical development and was entertaining preliminary interest from some regionally based pharmaceutical companies

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.

21. Related Party Transactions

The following are identified as Key Management Personnel for the year:
- Mr Robert W Moses
- Mr Mark Diamond
- Dr Graham Mitchell
- Mr William Goolsbee
- Dr Gary Pace
- Dr George Tachas
- Ms Nuket Desem

There have been related part transactions during the period ending 30 June 2019 totalling $1,250 with Walter & Eliza Hall Institute (WEHI) of which Dr. Mitchell is a Director. All transactions were made on normal commercial terms and conditions and at market rates.

There were no further transactions with related parties during the current financial year other than those declared on the Remuneration Report.

For the Year Ended 30 June 2019

22. Financial Risk Management Objectives and Policies

a Financial Instruments

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

	2019	2018
	$	$
Cash and cash equivalents	2,903,542	1,899,059
Other current assets	-	2,400,000
Trade and other receivables	32,327	58,909
Trade and other payables	(551,486)	(332,619)

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 2019 (2018: Nil).

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.

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 15 and 16. 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.

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.

For the Year Ended 30 June 2019

22. Financial Risk Management Objectives and Policies (continued)

d Financial Risk Management (continued)

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.

For the Year Ended 30 June 2019

22. Financial Risk Management Objectives and Policies (continued)

d Financial Risk Management (continued)

Interest Rate Risk (continued)

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 2019	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 $
Financial assets							
Cash and cash equivalents	2.00	403,142	2,500,000	-	-	400	2,903,542
Trade and other receivables	-	-	-	-	-	32,327	32,327
	2.00	403,142	2,500,000	-	-	32,727	2,935,869
Financial liabilities							
Trade and other payables	-	-	-	-	-	551,486	551,486

30 June 2018	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 $
Financial assets							
Cash and cash equivalents	2.00	398,659	1,500,000	-	-	400	1,899,059
Trade and other receivables	-	-	-	-	-	58,909	58,909
Other Current Assets	2.48	-	2,400,000	-	-	-	2,400,000
	4.48	398,659	3,900,000	-	-	59,309	4,357,968
Financial liabilities							
Trade and other payables	-	-	-	-	-	332,619	332,619

For the Year Ended 30 June 2019

22. Financial Risk Management Objectives and Policies (continued)

d Financial Risk Management (continued)

Interest Rate Risk (continued)

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 2019.

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 2019	(Higher)/ Lower 2018
	$	$
2019: +1% (2018: +1%)	29,304	42,991
2019: -1% (2018: -1%)	(29,304)	(42,991)

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:

	2019	2018
	$	$
Trade and other payables (AUD/USD)	7,617	22,645
Trade and other payables (AUD/GBP)	89	1
Trade and other payables (AUD/EUR)	1,912	943

For the Year Ended 30 June 2019

22. Financial Risk Management Objectives and Policies (continued)

d Financial Risk Management (continued)

Foreign Currency Risk (continued)

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.

Steps to reduce risk may include the acquisition of foreign currency ahead of the anticipated due date of an invoice or may include negotiations with suppliers to make payment in our functional currency. Management mitigated foreign currency risk by purchasing Great British Pounds currency during the current financial year. Should Management determine that the Company should consider taking out a hedge to reduce the foreign currency risk, they would need to seek Board approval.

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 2019.

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 2019	(Higher)/ Lower 2018
	$	$
AUD/USD: 2019: +3% (2018: +3%)	229	679
AUD/USD: 2019: -3% (2018: -3%)	(229)	(679)
AUD/GBP: 2019: +3% (2018: +3%)	3	-
AUD/GBP: 2019: -3% (2018: -3%)	(3)	-
AUD/EUR: 2019: +3% (2018: +3%)	57	8
AUD/EUR: 2019: -3% (2018: -3%)	(57)	(8)

For the Year Ended 30 June 2019

22. Financial Risk Management Objectives and Policies (continued)

d Financial Risk Management (continued)

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 2019 GST accounted for $19,882 (2018: $3,434) of the trade and other receivables, respectively. At 30 June 2019, accrued interest from the Commonwealth Bank amounted to $3,376 (2018: $11,900).

The trade and other receivables at 90+ days also include the rent bond on the office premises of $8,231. This is not considered impaired. 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 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.

The expected loss rates are based on the payment profiles of receivables over a period of 60 months before 30 June 2019 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 2019, the Company concludes that there is no significant exposure to credit risk due to Trade Receivables comprising of statutory entitlements of R&D Tax Incentive and GST refund.

The Company has analysed its trade and other receivables below. All trade and other receivables disclosed below have not been impaired.

	0-30 days $	31-60 days $	61-90 days $	90+ days $
2019 Trade and other receivables	32,327	-	-	-
2018 Trade and other receivables	58,909	-	-	-

For the Year Ended 30 June 2019

22. Financial Risk Management Objectives and Policies (continued)

d Financial Risk Management (continued)

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.

The Company has analysed its trade and other payables below:

	0-30 days $	31-60 days $	61-90 days $	90+ days $
2019 Trade and other payables	551,486	-	-	-
2018 Trade and other payables	332,619	-	-	-

23. Company information

Information about subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy:

			% Equity interest	
Name	**Principal Activities**	**Country of incorporation**	**2019**	**2018**
Antisense Therapeutics (HK) Pty Ltd	Provision of licenses	Australia	100.0	100.0

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 consolidated financial statements and notes of Antisense Therapeutics Limited for the financial year ended 30 June 2019 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 2019 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 2019.

On behalf of the board

Signed in accordance with a resolution of the Directors.



Mr Robert W Moses
Independent Non-Executive Chairman



Mr Mark Diamond
Managing Directer and Chief Executive Officer

Dated: This day 30th day of August 2019

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Building a better working world

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) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 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 Group 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* (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 Group incurred a net loss of $2.94m and a cash outflow from operations of $2.93m during the year ended 30 June 2019. These conditions along with the other factors outlined in Note 1b indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Building a better working world

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

1. Research & Development tax benefit

Why significant	How our audit addressed the key audit matter
Under the Australian Government's Research & Development ("R&D") income tax credit regime, the Group is entitled to an R&D credit on eligible R&D expenditure incurred including the decline in value of depreciating assets used in eligible R&D activities. The Group has estimated the R&D credit for the year ended 30 June 2019 and recognised the amount receivable under the scheme upon filing their claim along with the lodgement of their tax return. The estimated amount of $564,043 is recorded as Other income in the Consolidated Statement of Comprehensive Income and a receivable in the Consolidated Statement of Financial Position. The Group's policy for accounting for this income and the receivable are disclosed in Note 1. This was considered a key audit matter due to the quantum of the receivable recorded and the judgment associated with applying the relevant income tax legislation.	Our procedures included the following: ► Evaluated the methodology and assumptions used by the Group in calculating the R&D income tax credit claim receivable with reference to the applicable legislation and in conjunction with our R&D taxation specialists. ► Assessed the mathematical accuracy of the Group's calculations. ► Compared historical estimates against the actual claims received in prior years.

Building a better working world

2. Completeness and accuracy of expenditure and accruals

Why significant	How our audit addressed the key audit matter
The Group has entered into a number of contractual service agreements during the period to support the clinical trial of ATL 1102 in the treatment of Duchennes Muscular Dystrophy at the Royal Children's Hospital in Melbourne. This clinical trial is ongoing. The Group has recognised $1,760,729 of Research and Development expenditure in relation to these contracts for the year ended 30 June 2019 in the Consolidated Statement of Comprehensive Income, which includes accrued expenditure for services received but not invoiced which are recognised in the Consolidated Statement of Financial Position. The Group's policy for accounting for this expenditure and the liability are disclosed in Note 1. This was considered a key audit matter due to the quantum of contracts entered during the period and the complexity associated with the timing of the Group's incurring expenditure and liabilities for services received, as the trials extend across reporting periods.	Our procedures included the following: ► Assessed the terms of active clinical trial contracts to assess whether expenditure has been recorded in the correct period; ► Assessed the Company's trading account bank statements subsequent to 30 June 2019 for any payments related to the FY19 period; ► Performed inquiries of management regarding the status of work and receipt of invoices subsequent to 30 June 2019 containing services related to the FY19 period not appropriately accrued. ► Assessed the Group's accounting policy and disclosures in the financial report

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 2019 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do 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, 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.

Building a better working world

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 Group'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 Group 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.

Building a better working world

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, related safeguards.

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 17 to 24 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Antisense Therapeutics Limited for the year ended 30 June 2019, 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

Ernst & Young

Joanne Lonergan
Partner
Melbourne
30 August 2019

Corporate Information

ABN 41 095 060 745

Director

Mr Robert W Moses, Independent Non-Executive Chairman	(Appointed: 23 October 2001)
Mr Mark Diamond, Managing Director	(Appointed: 31 October 2001)
Dr Graham Mitchell, Independent Non-Executive Director	(Appointed: 24 October 2001)
Dr Gary Pace, Independent Non-Executive Director	(Appointed: 9 November 2015)
Mr William Goolsbee, Independent Non-Executive Director	(Appointed: 15 October 2015)

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

Registered office
6-8 Wallace Avenue
Toorak Victoria 3142
Australia
Phone: +61 3 9827 8999

Principal place of business
6-8 Wallace Avenue
Toorak Victoria 3142
Australia
Phone: +61 3 9827 8999
Fax: +61 3 9827 1166

Share register
Boardroom Pty Ltd
Level 12,
225 George Street,
Sydney NSW 2000
Australia
Phone: 1300 737 760

Antisense Therapeutics Limited shares are listed on the Australian Stock Exchange (ASX)

American Depository Receipts (ADR) - OTC:ATHJY

Solicitors
Minter Ellison
Rialto Towers, Level 23
525 Collins Street,
Melbourne Victoria 3000

Bankers
Commonwealth Bank of Australia
Melbourne Victoria

Auditors
Ernst and Young
8 Exhibition Street,
Melbourne Victoria 3000

Website
www.antisense.com.au