

antisense
THERAPEUTICS

Annual Report **2021**

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Operations Report

Overview of Company's Activities

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

Partnership with Ionis Pharmaceuticals Inc.

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

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

ABOUT ATL1102

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

ATL1102 for Duchenne Muscular Dystrophy (DMD)

The Company is undertaking clinical development of ATL1102 in patients with Duchenne muscular dystrophy (DMD). DMD is an X-linked disease that affects 1 in 3,600 to 5,000 live male births (Bushby et al, 2010). DMD occurs as a result of mutations in the dystrophin gene which causes a defect in the protein or reduction or absence of the dystrophin protein. Children with DMD have dystrophin deficient muscles and are susceptible to contraction induced injury to muscle which triggers the immune system which exacerbates muscle damage (Pinto Mariz, 2015). Ongoing deterioration in muscle strength affects lower limbs leading to impaired mobility, and also affects upper limbs, leading to further loss of function and self-care ability. The need for wheelchair use can occur in early teenage years, with respiratory, cardiac, cognitive dysfunction also emerging. With no intervention, the mean age of life is approximately 19 years. The management of the inflammation associated with DMD is currently via the use of corticosteroids, which have insufficient efficacy and significant side effects.



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

The Company conducted an open label six-month dosing trial of ATL1102 in nine non-ambulant patients with DMD aged between 10 and 18 years at the neuromuscular centre of the Royal Children's Hospital (RCH) which operates the largest clinic in the southern hemisphere treating children with DMD. The Company reported the successful results of the ATL1102 Phase II DMD trial, supporting ongoing preparations for advancement into a potentially pivotal Phase IIb clinical trial to be conducted in Europe.

Progress

Phase IIb study of ATL1102 in non-ambulant boys with DMD to be conducted in Europe

During the period the European Medicines Agency (EMA) provided feedback to the Company on the appropriateness of the key trial design parameters of dose duration, safety monitoring plan, endpoints, and potential pivotal status for the planned Phase IIb study of ATL1102 in non-ambulant boys with DMD to be conducted in Europe.

In further interactions with the European Regulatory Authorities, the Pediatric Investigation Plan (PIP) for the development of ATL1102 for DMD was also submitted to the EMA Pediatric Committee (PDCO). A pediatric investigation plan is a development plan aimed at ensuring that the necessary data are obtained through studies in children, to support the authorisation of a medicine for children. The ATL1102 DMD PIP submission incorporates the planned Phase IIb clinical trial of ATL1102 in non-ambulant DMD patients to be conducted in Europe. The Company is planning to conduct a multi-centre, randomised, double-blind placebo-controlled study of ATL1102 in non-ambulant patients dosed with ATL1102 for 12 months at two dose levels to be conducted as a potentially pivotal (approvable) trial with a follow-on open label extension phase.

As part of its review of the PIP, the Pediatric Committee (PDCO) of the European Medicines Agency (EMA) provided feedback outlining additional information requirements on the Phase IIb clinical trial.

The Company advised that it was addressing the PDCO information requirements and anticipated finalising the trial design with PDCO later in Q3'CY21, ahead of submitting the clinical trial application for the Phase IIb trial shortly thereafter.

Approval of the PIP is required to support the authorisation of a medicine for children in the European Union (EU). The PIP addresses the entire pediatric development program for ATL1102 in DMD (including potential ambulant DMD patient studies). Antisense Therapeutics through its interactions with PDCO, is looking to ensure that its planned clinical studies will be run in accordance with PDCO expectations for future product approval.

Regulatory interactions with the US Food and Drug Administration (FDA)

During the period, the Company applied for a Type C guidance meeting to discuss the further development of ATL1102 in DMD in the US and to clarify via the meeting the preclinical (also referred to as non-clinical) requirements to support longer term (12-month) dosing of ATL1102 in DMD patients in the US. The Company reported that the meeting was held on 19 April 2021.

The FDA feedback from the Type C meeting confirmed that the findings at 25mg/week in the Company's Phase II, open-label study conducted at Royal Children's Hospital in Melbourne, Australia were adequate to support larger studies.

Importantly, the FDA noted that the proposed design of the Phase IIb/III study (as a single, randomized double blind, placebo-controlled study) and the primary endpoint (PUL2.0) appeared acceptable. Secondary endpoints of muscle strength as assessed by MyoGrip, MyoPinch, and predicted forced vital capacity (FVC), also appeared reasonable as was the 52-week study duration, non-ambulant patient population and number of subjects relative to statistical power assumptions. Provided appropriate safety-monitoring recommendations are adopted by the Company, the FDA said it could consider the exploration of higher doses of ATL1102 beyond 25mg/week subject to adequate justification.

With regard to the non-clinical requirements, the FDA expects the Company to conduct a nine-month monkey toxicology study to support the Phase IIb/III study.

The agency stated, however, that because of the seriousness of the indication, the Company may initiate the 12-month Phase IIb/III human clinical study prior to submission of a nine-month toxicology study draft report.

The Company advised that it continued to consult with its US based regulatory advisors on the appropriate next steps to advance the Phase IIb/III study design and development plans for the US.

During the period the Company submitted a FastTrack Designation Request with the FDA.

Post study analysis shows statistically significant improvement in PUL2.0 with ATL1102 treatment

During the period results from a post study analysis of the Company's Phase II clinical trial of ATL1102 in non-ambulant DMD boys were reported in a poster presentation at the Annual Congress of the World Muscle Society highlighting that ATL1102 treated patients showed a statistically significant mean improvement in Total PUL2.0 scores (assessment of muscle function) at 24 weeks compared to a matched natural history control of non-ambulant boys on standard of care (corticosteroids) with a greater frequency of patients treated with ATL1102 showing improvement or maintenance of their Total PUL2.0 score relative to the natural history control group over 24 weeks.

Orphan Drug and Rare Pediatric disease designation

During the period the Company successfully applied for Orphan Drug Designation (ODD) for ATL1102 in DMD in EMA and the US.

In Europe, orphan drug designation status brings development and marketing incentives, such as reduced fees, scientific advice and market exclusivity for 10 years upon regulatory approval.

In US, the FDA provides incentives to help accelerate the development of products for rare diseases, which may include tax credits towards the cost of clinical trials, waiver of US prescription drug filing fees and orphan product exclusivity for seven years upon marketing authorisation.



As part of advancing US regulatory strategy, a request for a rare pediatric disease designation was submitted in conjunction with the ODD application. The FDA granted the designation of ATL1102 as a drug for a rare pediatric disease following submission of data from Phase II clinical trial of ATL1102. Further, under the FDA's Rare Pediatric Disease Priority Review Voucher Program, a company that receives an approval for a product designated for a rare pediatric disease may qualify for a voucher that can be redeemed to receive an expedited priority marketing authorization review or sold to another party.

Clinical Supplies

During the period the Company reported that the manufacture of a batch of ATL1102 active pharmaceutical ingredient (API) for the Phase IIb trial had been undertaken in North America by Nitto Denko Avecia (Avecia). Upon completion of the manufacture of this batch of API, the material was then shipped to Contract, Parenteral (injectable) Drug Product Manufacturer Pyramid Laboratories (Pyramid) in Costa Mesa, Southern California and formulated into injectable product for use in the Phase IIb trial. Importantly, both Avecia and Pyramid have commercial capabilities to support advanced clinical trials and subsequent commercial supply.

Operations Report *continued*

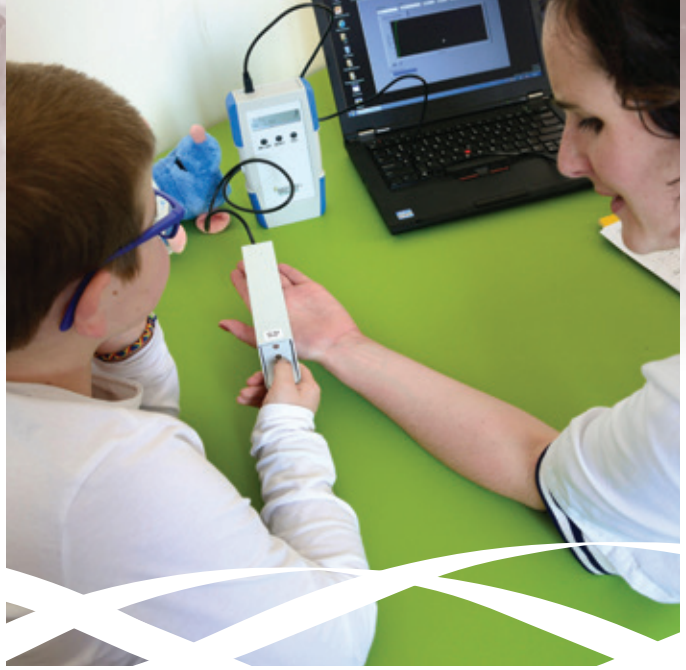
Ongoing engagement with DMD community, investors and pharmaceutical companies

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

- Virtual Investor Roadshow — Singapore & Hong Kong, 6-9 July 2020.
- 2020 Virtual Annual Conference — Parent Project Muscular Dystrophy, US, 22 July 2020
- StockPal Biotech & Healthcare Webinar, Singapore, 4 August 2020.
- 25th International Annual Congress of the World Muscle Society, UK, 1 October 2020
- Virtual Investor Roadshow — Singapore & Hong Kong, 22-25 January 2021.
- ShareCafé Small Cap "Hidden Gems" Webinar, Australia, 5 February 2021.
- Jett Foundation 4th Annual Rare Disease Day Conference, US, 26 February 2021
- FDA Rare Disease Day 2021, US, 5 March 2021
- Spark Plus "Biotech Day" Webinar, Singapore, 25 March 2021
- ShareCafé Small Cap "Hidden Gems" Webinar, Australia, 14 May 2021.
- Wilsons Rapid Insights 2021 Conference, Sydney, Australia, 26 May 2021
- Virtual Investor Roadshow — Singapore & Hong Kong, 7-9 June 2021
- Virtual Investor Roadshow — Sydney & Melbourne, 23-25 June 2021

ATL1102 broader utility in muscle disease to be investigated

In the period the Company announced that it had entered into a new Research and Development collaboration with the Murdoch Children's Research Institute's (MCRI) scientific researchers, Dr Peter Houweling and Associate Professor Shireen Lamande, to further investigate the potential of ATL1102 to deliver breakthrough treatment for the control of immune mediated inflammatory



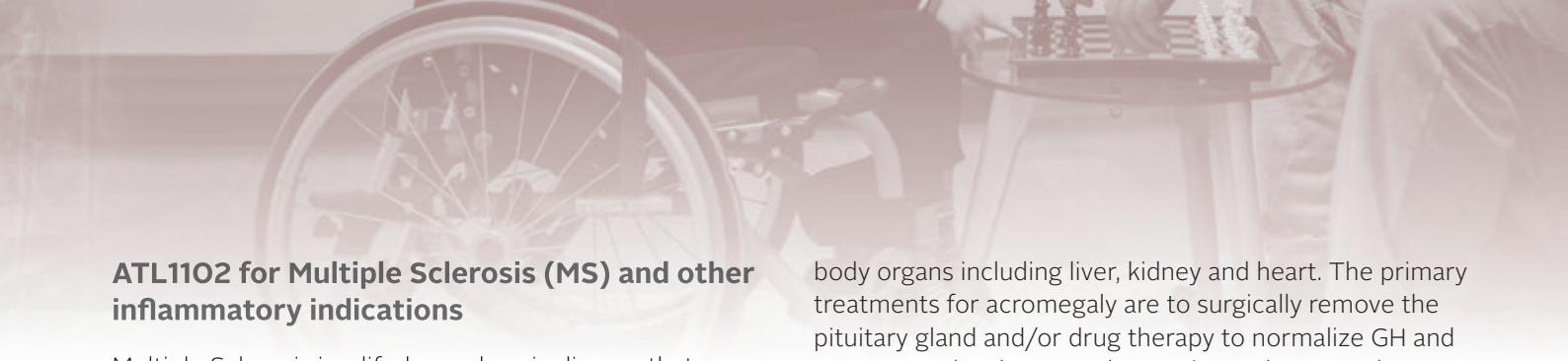
muscle damage in muscle diseases where there is an acknowledged need for more effective and safer treatments.

The Company also noted that the MCRI researchers and Antisense Therapeutics had additionally undertaken experimental work that showed antisense inhibition of CD49d in the X chromosome-linked muscular dystrophy (mdx) mouse model of DMD reduced both the CD49d target in the muscle and muscle damage. Having achieved positive results in the mdx animal model, allowed for the further study of antisense inhibition of CD49d effects in the mdx model in combination with other DMD treatments including the dystrophin restoration drugs to assess the potential of the combination to improve therapeutic outcomes.

In addition, antisense inhibition of CD49d is also to be assessed in another animal model of muscle disease where there are similar immune mediated inflammatory features to the mdx model, where it has demonstrated positive effects.

The Company also advised that it is planning for ATL1102 to be assessed in the Company's ex-vivo cell expression and modelling systems by studying patient blood samples taken from children afflicted by a range of muscle diseases to explore ATL1102's potential activity in these conditions, where there is a clear need for effective therapies.

The broader immunomodulatory effects of ATL1102 are being investigated through the analysis of blood (plasma) samples retained from the Company's Phase II trial of ATL1102 in DMD patients. The Company is expecting this new data to provide insights on the mode of action and broader biological activity of ATL1102. Antisense Therapeutics is planning to file for additional patent protection with this new data ahead of its proposed presentation at an appropriate scientific conference.



ATL1102 for Multiple Sclerosis (MS) and other inflammatory indications

Multiple Sclerosis is a life-long, chronic disease that progressively destroys the central nervous system. 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.

ATL1102 was previously shown to be highly effective in reducing MS inflammatory brain lesions in a Phase IIa clinical trial in Relapsing Remitting MS patients. The ATL1102 Phase IIa clinical data has been published in the medical Journal Neurology (Limmroth, V. et al Neurology). The Company previously reported that it had submitted an Investigational New Drug (IND) application to the US 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 a25mg/week dose for 6 months under a partial hold introduced by the FDA.

The Company reported that following positive clinical trial results in the Phase II clinical trial of ATL1102 in DMD, the Company was actively exploring development opportunities where inflammation plays a key role in disease progression and that the ATL1102 DMD trial potentially provides support for undertaking studies in MS patients at the FDA approved dose.

In addition to MS, the Company advised that it sees exciting potential for ATL1102's use in other neuroinflammatory and muscular dystrophy disorders given the expected antisense platform and CD49d target based advantages in these applications. The Company has filed patent applications to support clinical development and commercialisation of ATL1102 in muscular dystrophies in addition to DMD and noted that it would continue to file new patents to broaden IP protection and add further commercial value to the ATL1102 asset while expanding the Company's product pipeline.

ATL1103 for 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.

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.

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-I 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 successful high dose study of ATL1103 in adult patients with acromegaly in Australia. The US FDA and EC have granted Orphan Drug designation to ATL1103 for treatment of Acromegaly.

As the Company's current development focus is directed towards the clinical development of ATL1102 in DMD, no further resources are expected to be applied to ATL1103 clinical development, however ATL1103's clinical development may continue under a potential future partnering arrangement.

Appointment of Non-Executive Director

On 22 March the Company announced the appointment of Dr Charmaine Gittleson as a Non-Executive Director. Dr Gittleson is a senior executive with extensive international experience as a pharmaceutical physician and enterprise leader in pharmaceutical drug development, governance and risk management gained during her 15-year tenure (2005-2020) with global specialty biotechnology company CSL Limited (ASX: CSL). During her time at CSL, Dr Gittleson had at various times accountability for clinical research, medical safety, medical and patient related ethics for development and on market programs, providing leadership in strategic product development, planning and implementation across multiple therapeutic and rare disease areas.

R&D Tax Incentive

During the period the Company received from the Australian Taxation Office an R&D Tax Incentive payment of $650,603 in relation to expenditure incurred on eligible R&D activities for the 30 June 2020 financial year.

Financial Position

At 30 June 2021, the Company had cash reserves (including Term Deposits) of $6,020,403 (2020: $4,059,442).

During the period the Company completed its Share Purchase Plan (SPP), completing the two-part capital raising, receiving $8.5 million via a placement to institutional, professional and sophisticated investors and the SPP before capital raising costs. Shares were issued and allotted by 2 December 2020.

Events After The Balance Sheet Date

On 28 July 2021 and subsequent to the reporting period, the Company announced the transition of Non-Executive Director Dr Charmaine Gittleson to become the Chair of the Company's Board and as part of the transition, Bob Moses, the Company's Chairman since 2001, announced his intention to retire from the Board at the conclusion of the Company's 2021 Annual General Meeting after which he will continue to support the Company in a consultant capacity.

The announcement noted that transitioning of the Chair role is in recognition of the Company's maturation from a drug discovery to late-stage clinical development company with near term commercialisation aspirations and that Dr Gittleson's extensive international experience in global pharmaceutical drug development and registration across multiple therapeutic and rare disease areas, is precisely the leadership and experience required to steward the Company through this next phase of the Company's growth.

On 12 August the Company provided advice in relation to its US regulatory plans for ATL1102 in DMD. Following the Company's Type C meeting with the FDA and the FDA's positive feedback on the design parameters for a US Phase IIb/III study as per the Company's 1 June 2021 ASX announcement, the Company advised that it had continued to work with its expert US based regulatory advisors on appropriate next steps to advance the ATL1102 DMD program in the US. Accordingly, and as suggested by the FDA in their Type C meeting feedback, the Company submitted a Fast Track Designation (FTD) request for ATL1102 in DMD. In the FTD the Company has conveyed its intent to submit a revised clinical study protocol, with design features as discussed with the FDA including higher and longer dosing. The Company also expects to submit the protocol synopsis for a nine-month chronic monkey toxicology study to support the dosing of patients beyond 6 months.

The Company noted that an important development in clarifying the regulatory path for the Company in the USA had been the recent feedback received from the FDA on the Company's request for FTD stating that prior to FTD being granted, the regulatory process for lifting the IND partial clinical hold that presently limits the dosing of ATL1102 to 25mg per week for 6 months in the US must be completed, which would involve including the requisite documentation (updated clinical and toxicology protocols) in a resubmission as suggested by the FDA. The Company advised that it has been working with its advisors on the revised study protocols for submission of its complete response to the partial hold and would continue to update the market on material progress in its US regulatory planning. The partial hold may be lifted following the Company's submission of its complete response as noted above and anticipated ahead of the commencement of clinical and toxicology studies.

The agency noted in their response to the Company that, 'DMD is certainly a serious condition, and it appears that ATL1102 may have the potential to demonstrate an effect on a serious aspect of the condition and provide benefit over currently approved therapies...however...We cannot determine whether the overall development plan will enable you to obtain the data necessary to evaluate whether your product meets this unmet medical need because your IND is currently on partial hold' and that ..'We recommend that you send a new request for Fast Track designation after the partial hold issues are resolved.'

COVID19 Statement

COVID-19 factors that are causing significant challenges for the community at large are presently not adversely impacting on the Company's activities. The Company is positioned to accommodate measures that are prudent for us to take to safeguard the health of our staff, patients and the broader community and our staff are able to work from home.

Intellectual Property Report

Antisense Therapeutics currently has 10 patent families with 92 patents registered or in the process of being registered and 25 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 2020 Annual Report the Company has expanded its patent portfolio as follows:

- Japanese patent application 2016-518801 has been allowed and the patent registered covering ATL1103 use in combination with first line acromegaly somatostatin analogue treatment to reduce serum IGF-I in patients who do not respond sufficiently to somatostatin analogues: protecting the invention to 2034, extendible up to 5 years.
- International application PCT/AU2018/051353 covering ATL1102 treatment of Duchenne muscular dystrophy (DMD) has been progressed into the national phase in Australia, Brazil, Canada, China, Japan, New Zealand, South Korea and the regional phase in Europe, to protect the invention to 2039; the filing of US continuation-in part 16/404561 was previously reported
- US patent 11041156 has been granted and is in the process of being registered covering the use of ATL1102 for mobilizing leukemia cells in the treatment of acute myeloid leukemia (AML) to 2036

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. Patent registered in the 10 European countries below	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. Patent registered in the 10 European countries above	
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*

Intellectual Property Report *continued*

Country	Patent application or Patent No.	Current Status	Expiry
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	Patent Registered	2034
Canada	2918787	Under Examination	2034
Europe	14810926.7	Regional Phase – Granted. Patent registered in the 10 European countries above	2034
Japan	2016-518801	Patent Registered	2034
New Zealand	715825	Under Examination	2034
USA	14/897896	Under Examination	2034
ATL1102 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 – Patent registered in the 10 European countries below	
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*

Country	Patent application or Patent No.	Current Status	Expiry
ATL1102 Patent Portfolio** *continued*			
ATL1102 MS active brain lesion reduction Patents *continued*			
Europe***	15155831.9 Divisional of 09798248.2	Regional Phase – Granted. Patent 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*
USA	8,759,314	Patent Registered	2029*
ATL1102 MS hypointense brain lesion reduction Patent			
International	PCT/AU2018/050598	National Phase applications	
Australia	AU2018286483	Filed	2038*
Canada		Filed	2038
Europe	18,816,566	Filed	2038*
New Zealand	760,076	Filed	2038
USA	16/622,820	Filed	2038*
ATL1102 Methods of reducing circulating leukocytes patents and application			
Australia	2011301712	Patent Registered	2031*
Canada	2811228	Under Examination	2031*
USA	9,885,048	Patent Registered	2031*
ATL1102 Therapeutic uses and methods (for treating DMD) patent applications			
US Continuation – in part	16/404561	Filed	2039*
International	PCT/AU2018/051353	National Phase Applications	2039
Australia	524449AU	Filed	2039*
Brazil	BR 11 2020 022519 3	Filed	2039
Canada	3098912	Filed	2039*
China	201880095236.4	Filed	2039*
Europe***	18917201.8	Filed	2039*
Japan	2021-510492	Filed	2039*
South Korea	10-2020-7035006	Filed	2039*
New Zealand	769,597	Filed	2039
ATL1102 Therapeutic uses and methods (for treating Muscular Dystrophy) patent applications			
International	PCT/AU2020/050445	Filed	2040
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.

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

Intellectual Property Report *continued*

Antisense Therapeutics has orphan drug designation (ODD) for ATL1102 in DMD and ATL1103 in acromegaly in the US and Europe and can also apply for ODD for ATL1102 and ATL1103 in other countries. Additional to the patent protection, registration of an orphan drug would then provide commercial exclusivity of ATL1102 and ATL1103 for 7 years in the US and 12 years in Europe from approval for ATL1102 in DMD and 10 years for ATL1103 in acromegaly, with potential to extend both 1 year for a new indication in Europe. Commercial exclusivity protection (data exclusivity and market exclusivity) post market approval of ATL1102 or ATL1103 with ODD is also available in the other countries above, excluding Brazil, with between 5 to 8 years of protection.

Directors' 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 2021. In order to comply with the provisions of the Corporations Act 2001, the Board of Directors report as follows:

Dr Charmaine Gittleson MD, BSci, AICD, *Independent Non-Executive Chair*	
Appointed to the Board	22 March 2021
Experience	Dr Gittleson has extensive international experience as a pharmaceutical physician and enterprise leader in pharmaceutical drug development, governance and risk management gained during her 15-year tenure (2005-2020) with global specialty biotechnology company CSL Limited (ASX: CSL). During her time at CSL, Dr Gittleson had at various times accountability for clinical research, medical safety, medical and patient related ethics for development and on market programs, providing leadership in strategic product development, planning and implementation across multiple therapeutic and rare disease areas. Dr Gittleson held the key leadership roles of: Senior Director, Head Safety and Clinical Development (2006-2010) in Melbourne Australia; Vice President Clinical Strategy (2010-2013) and Senior Vice President Clinical Development (2013-2017) in Pennsylvania United States; and Chief Medical Officer in Melbourne from 2017 until her recent retirement from corporate roles in 2020. Dr Gilttleson commenced her role as Chair on 28 July, 2021.
Interest in shares & options	Nil
Committees	Nil
Directorships held in other listed entities	Nil
Directorships previously 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 & options	4,423,173 ordinary shares and 14,000,000 options over ordinary shares.
Committees	Nil
Directorships held in other listed entities	Nil
Directorships previously held in other listed entities	Nil

Mr Robert W Moses BA, MBA, FAICD, FAIM, *Independent Non-Executive Director*	
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. Bob stepped down from the role of Chair on 28 July, 2021 and continues his role as a Non-Executive Director.
Interest in shares & options	9,090,201 ordinary shares and 10,000,000 options over ordinary shares.
Committees	Chair of the Remuneration Committee and member of the Audit Committee.
Directorships held in other listed entities	Nil
Directorships previously held in other listed entities	Nil

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	18 December 2020
Experience	Graham Mitchell was a former senior researcher at the Walter & Eliza Hall Institute, a Chief Scientist in Victorian Government Departments, and a Director of Research in the R&D Division of CSL Limited. Dr. Mitchell is currently Principal and CEO of Foursight Associates Pty Ltd.
Interest in shares & options	395,550 ordinary shares and 7,000,000 options over ordinary shares.
Committees	Member of the Remuneration Committee and Chairman of the Audit Committee.
Directorships held in other listed entities	Nil
Directorships previously held in other listed entities	Nil

Dr Gary W Pace BSc(Hons), PhD, FTSE, *Independent Non-Executive Director*	
Appointed to the Board	9 November 2015
Last elected by shareholders	11 December 2019
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 & options	1,236,138 ordinary shares and 7,000,000 options over ordinary shares.
Committees	Nil
Directorships held in other listed entities	Dr. Pace is currently a director of Pacira Pharmaceuticals Inc. (NASDAQ: PCRX) and Cardiff Oncology (NASDAQ: CRDF).
Directorships previously held in other listed entities	Invitrocue Limited (ASX:IVQ) — resigned 20 September 2019 Resmed Inc (ASX:RMD) — resigned 15 November 2018

Mr William Goolsbee BA, *Independent Non-Executive Director*	
Appointed to the Board	15 October 2015
Last elected by shareholders	11 December 2019
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. Currently serves as an Independent Director of Helix BioMedix, Inc. since 2019.
Interest in shares & options	1,099,243 ordinary shares and 7,000,000 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.
Directorships previously held in other listed entities	Sarepta Therapeutics Inc. (NASDAQ:SRPT) — resigned 31 December 2016.

Mr Phillip Hains, *Joint 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.



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

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 2021 was $8,060,639 (30 June 2020 loss:

$5,908,202) including expenses relating to the issue of options "share-based payments" $1,371,332 (30 June 2020: $2,420,086).

This result has been achieved after fully expensing all research and development costs (including those related to the manufacture of clinical development supplies) deployed in successfully advancing the clinical development of ATL1102 for DMD.

The Company had a cash reserve of $6,020,403 at 30 June 2021 ($4,059,442 at 30 June 2020).

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

Risk Management

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

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

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

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

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

Biotechnology Companies – Inherent Risks

Pharmaceutical Research 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 is unable to meet certain performance obligations, it may lead to a dispute with Ionis. Unresolved disputes may in turn lead to potential termination of the license granted by Ionis to the Company to exploit relevant products, with the relevant product rights then returning to Ionis.

Partnering 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.

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.

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
Dr Charmaine Gittleson	2	2	-	-	-	-
Mr Mark Diamond	7	7	-	-	-	-
Robert W Moses	7	7	2	2	1	1
Dr Graham Mitchell	7	7	2	2	1	1
Dr Gary W Pace	7	7	-	-	-	-

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
Chair	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 2021 under the Company's Directors' and Officers' Liability Insurance Policy, the Company cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium. Accordingly, the Company relies on section 300(9) of the Corporations Act 2001 to exempt it from the requirement to disclose the nature of the liability insured against and the premium amount of the relevant policy.

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

(1) indemnifies the Director to the extent permitted by law and the Constitution against certain liabilities and legal costs incurred by the Director as an officer of any Group Company;

(2) requires the Company to maintain, and pay the premium for, a D&O Policy in respect of the Director; and

(3) provides the Director with access to particular papers and documents requested by the Director for a Permitted Purpose,

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

Indemnification of Auditors

Ernst & Young

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

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

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

Share Options on Issue as at the Date of the Report

Unissued Shares

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

Class	Date of Expiry	Exercise Price	No. Under Option
ANPAA	22 December 2023	$0.08	10,000,000
ANPAB	22 December 2023	$0.145	35,000,000
ANPAC	18 March 2025	$0.185	2,000,000
ANPAD	18 March 2025	$0.27	8,000,000

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 2021 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:

	2021 $	2020 $
Tax compliance services	20,148	20,148
	20,148	**20,148**

Rounding off

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

Remuneration Report (Audited)

1. Remuneration Report Overview

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

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

For the purposes of this report, Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

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

Name	Position
Directors:	
Dr Charmaine Gittleson	Independent Non-Executive Chair
Mr Mark Diamond	Managing Director
Mr Robert W Moses	Independent Non-Executive 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, Clinical & Regulatory Affairs
Mr Phillip Hains	Joint Company Secretary & Chief Financial Officer

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 2021, 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.

Remuneration Report (Audited) *continued*

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

(B) REMUNERATION POLICY VERSUS COMPANY PERFORMANCE (continued)

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 2021	$8,060,639
Net loss financial year 2020	$5,908,202
Net loss financial year 2019	$2,944,499
Net loss financial year 2018	$2,331,015
Net loss financial year 2017	$2,754,799

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

30 June 2021	$0.195
30 June 2020	$0.074
30 June 2019	$0.045
30 June 2018	$0.025
30 June 2017	$0.033

(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 2021, the Non-Executive Directors were remunerated in aggregate $253,727 per annum, including superannuation.

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

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

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

(E) EXECUTIVE DIRECTOR & EXECUTIVE OFFICER REMUNERATION

Objective

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

Structure

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

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

Fixed Remuneration

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

Variable Remuneration STI and LTI

The Company has withheld short term and long term incentives in recent years. In December 2019, the Shareholders approved the issue of options to the Board in recognition of past performance and to align with shareholders and participate in the benefits of growth.

3. Details of Remuneration

The remuneration for each Director and each of the other Key Management Personnel of the Company during the Year Ended 30 June 2021 was as follows:

30 June 2021	Short-term employee benefits	Post-employment Benefits	Long-term Benefits	Share-Based Payments	
	Cash salary & fees $	Pension & Super Contribution $	Long Service Leave $	Options $	Total $
Directors					
Dr Charmaine Gittleson	14,038	1,334	-	-	15,372
Mr Mark Diamond	423,116	27,450	8,922	-	459,488
Mr Robert W Moses	56,293	5,348	-	-	61,641
Dr Graham Mitchell	37,367	2,601	-	-	39,968
Mr William Goolsbee [1]	68,523	-	-	-	68,523
Dr Gary Pace [1]	68,223	-	-	-	68,223
	667,560	**36,733**	**8,922**	**-**	**713,215**
Other Key Management Personnel					
Dr George Tachas	257,886	24,076	5,446	314,880	602,288
Ms Nuket Desem [2]	208,327	18,960	9,915	314,880	552,082
Mr Phillip Hains [3]	99,000	-	-	157,440	256,440
	565,213	**43,036**	**15,361**	**787,200**	**1,410,810**
	1,232,773	**79,769**	**24,283**	**787,200**	**2,124,025**

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

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 2020 was as follows:

30 June 2020	Short-term employee benefits	Post-employment Benefits	Long-term Benefits	Share-Based Payments	
	Cash salary & fees $	Pension & Super Contribution $	Long Service Leave $	Options $	Total $
Directors					
Mr Robert W Moses	56,293	5,348	-	537,398	599,039
Mr Mark Diamond	426,082	27,450	8,289	742,373	1,204,194
Dr Graham Mitchell	36,500	3,468	-	380,105	420,073
Mr William Goolsbee (1)	75,474	-	-	380,105	455,579
Dr Gary Pace (1)	75,474	-	-	380,105	455,579
	669,823	**36,266**	**8,289**	**2,420,086**	**3,134,464**
Other Key Management Personnel					
Dr George Tachas	252,434	24,076	7,093	-	283,604
Ms Nuket Desem	176,905	14,923	9,728	-	201,556
Mr Phillip Hains (2)	99,000	-	-	-	99,000
	528,339	**38,999**	**16,822**	**-**	**584,160**
	1,198,162	**75,265**	**25,111**	**2,420,086**	**3,718,624**

(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 above for further detail).

4. Share-Based Compensation

SHAREHOLDINGS

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

30 June 2021	Balance at start of the year	Granted as Compensation	Options Exercised	Net Change Other	Total
Directors					
Dr Charmaine Gittleson	-	-	-	-	-
Mr Mark Diamond	4,242,772	-	-	180,401	4,423,173
Mr Robert W Moses	9,000,000	-	-	90,201	9,090,201
Dr Graham Mitchell	395,550	-	-	-	395,550
Mr William Goolsbee	1,099,243	-	-	-	1,099,243
Dr Gary W Pace	1,236,138	-	-	-	1,236,138
	15,973,703	**-**	**-**	**270,602**	**16,244,305**
Other Key Management Personnel					
Dr George Tachas	1,899,890	-	-	-	1,899,890
Ms Nuket Desem	44,000	-	-	-	44,000
Mr Phillip Hains (1)	7,439,999	-	-	-	7,439,999
	9,383,889	**-**	**-**	**-**	**9,383,889**
	25,357,592	**-**	**-**	**270,602**	**25,628,194**

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

OPTIONS & RIGHTS

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

30 June 2021	Balance at start of the year	Granted as Compensation	Options Exercised	Net Change Other	Total vested at end of the year	Total
Directors						
Dr Charmaine Gittleson	-	-	-	-	-	-
Mr Mark Diamond	14,000,000	-	-	-	-	14,000,000
Mr Robert W Moses	10,000,000	-	-	-	-	10,000,000
Dr Graham Mitchell	7,000,000	-	-	-	-	7,000,000
Mr William Goolsbee	7,000,000	-	-	-	-	7,000,000
Dr Gary W Pace	7,000,000	-	-	-	-	7,000,000
	45,000,000	**-**	**-**	**-**	**-**	**45,000,000**
Other Key Management Personnel						
Dr George Tachas	-	2,000,000	-	-	2,000,000	2,000,000
Ms Nuket Desem	-	2,000,000	-	-	2,000,000	2,000,000
Mr Phillip Hains [1]	-	1,000,000	-	-	1,000,000	1,000,000
	-	**5,000,000**	**-**	**-**	**5,000,000**	**5,000,000**
	45,000,000	**5,000,000**	**-**	**-**	**5,000,000**	**50,000,000**

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

OPTIONS

The terms and conditions of each grant of options affecting remuneration during the year 30 June 2021 are as follows:

Grant date	Expiry date	Vesting and exercise date	Exercise price ($)	No. of options	Share price at grant date ($)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option ($)	Vested %
2021-03-19	2025-03-18	2021-03-19	0.185	1,000,000	0.205	120.28%	0.00%	0.110%	0.1605	100
2021-03-19	2025-03-18	2021-03-19	0.27	4,000,000	0.205	120.28%	0.00%	0.110%	0.1514	100
				5,000,000						

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

The terms and conditions of each grant of options affecting remuneration during the year 30 June 2020 are as follows:

Grant date	Expiry date	Vesting and exercise date	Exercise price ($)	No. of options	Share price at grant date ($)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option ($)	Vested %
2019-12-11	2023-12-10	2019-12-23	0.08	10,000,000	0.082	107.49%	0.00%	0.705%	0.0595	100
2019-12-11	2023-12-10	2019-12-23	0.145	35,000,000	0.082	107.49%	0.00%	0.705%	0.0522	100
				45,000,000						

The share based payment announced to the market during April 2019, and approved by Shareholders as at December 2019 AGM was granted in recognition of prior years' performance and was fully vested upon issue. The grant of option is in line with industry standards. This aligns Directors' interest with shareholders and future share value appreciation.

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 are 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 2021

During the financial year ended 30 June 2021, no options have been exercised. 5,000,000 options were granted to Key Management Personnel with no options previously granted being exercised.

(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.



Dr Charmaine Gittleson
Independent Non-Executive Chair



Mr Mark Diamond
Managing Director and Chief Executive Officer

Dated: **This day 25th day of August 2021**

Corporate Governance

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

The 2021 corporate governance statement is dated as at 30 June 2021 and reflects the corporate governance practices in place throughout the 2021 financial year. The 2021 corporate governance statement was approved by the board on 25 August 2021. A description of the group's current corporate governance practices is set out in the group's corporate governance statement which can be viewed:
www.antisense.com/investorrelations/corporate-governance

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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 2021, 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.

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

Ernst & Young

Matt Biernat
Partner
25 August 2021

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Consolidated Statement of Profit or Loss & Other

Comprehensive Income

For the Year Ended 30 June 2021

	Notes	2021 $	2020 $
Interest from external parties	3	4,181	30,528
Government grants	3	-	30,097
Other income	3	632,654	710,936
		636,835	**771,561**
Depreciation expenses		(103,319)	(107,601)
Administrative expenses	4	(2,176,325)	(1,953,561)
Occupancy expenses		(8,665)	(81,924)
Patent expenses	4	(110,299)	(203,802)
Research and development expenses	4	(4,913,341)	(1,899,319)
Foreign exchange (gains)/losses		(3,459)	(934)
Finance costs	15	(10,734)	(12,536)
Share-based payments	16	(1,371,332)	(2,420,086)
Loss before tax		**(8,060,639)**	**(5,908,202)**
Income tax benefit	5	-	-
Loss for the year		**(8,060,639)**	**(5,908,202)**
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive loss for the year, net of tax		**(8,060,639)**	**(5,908,202)**
Loss per share			
Basic loss per share	8	(1.49)	(1.30)
Diluted loss per share	8	(1.49)	(1.30)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

Comprehensive Income

As at 30 June 2021

	Notes	2021 $	2020 $
ASSETS			
Current Assets			
Cash and cash equivalents	9	6,020,403	4,059,442
Trade and other receivables	10	601,254	689,315
Prepayments		76,942	208,425
Other current assets	11	-	256,917
		6,698,599	**5,214,099**
Non-Current Assets			
Plant and equipment	12	11,569	8,649
Right-of-use assets	15	290,435	129,470
		302,004	**138,119**
TOTAL ASSETS		**7,000,603**	**5,352,218**
LIABILITIES			
Current Liabilities			
Trade and other payables	13	512,082	291,677
Employee benefit liabilities	14	454,026	394,287
Lease liabilities	15	79,443	112,575
		1,045,551	**798,539**
Non-Current Liabilities			
Lease liabilities	15	227,402	22,690
Employee benefit liabilities	14	117	-
		227,519	**22,690**
TOTAL LIABILITIES		**1,273,070**	**821,229**
NET ASSETS		**5,727,533**	**4,530,989**
EQUITY			
Contributed equity	17	77,033,694	69,147,843
Reserves	18	3,791,418	2,420,086
Accumulated losses		(75,097,579)	(67,036,940)
TOTAL EQUITY		**5,727,533**	**4,530,989**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2021

	Notes	Contributed Equity (Note 17) $	Reserves (Note 18) $	Accumulated Losses $	Total $
As at 1 July 2019		**63,938,429**	**-**	**(61,128,738)**	**2,809,691**
Loss for the period		-	-	(5,908,202)	(5,908,202)
Total comprehensive income		**-**	**-**	**(5,908,202)**	**(5,908,202)**
Issue of share capital (Note 17)		5,494,568	-	-	5,494,568
Share-based payments (Note 16)			2,420,086		2,420,086
Transactions costs on options issues/capital raising		(285,154)	-	-	(285,154)
At 30 June 2020		**69,147,843**	**2,420,086**	**(67,036,940)**	**4,530,989**
As at 1 July 2020		**69,147,843**	**2,420,086**	**(67,036,940)**	**4,530,989**
Loss for the period		-	-	(8,060,639)	(8,060,639)
Total comprehensive income		**-**	**-**	**(8,060,639)**	**(8,060,639)**
Issue of share capital	17.a	8,500,000	-	-	8,500,000
Share-based payments (Note 16)		-	1,371,332	-	1,371,332
Transactions costs on options issues/capital raising	17.a	(614,149)	-	-	(614,149)
At 30 June 2021		**77,033,694**	**3,791,418**	**(75,097,579)**	**5,727,533**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2021

	Notes	2021 $	2020 $
OPERATING ACTIVITIES			
Payments to suppliers and employees		(6,528,565)	(4,637,682)
Interest paid		(10,734)	(12,536)
Interest received		4,540	33,523
R&D tax concession refund		650,603	568,640
Government Grant		-	30,097
Other Income		50,000	72,600
Net cash flows used in operating activities	21	**(5,834,156)**	**(3,945,358)**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(8,349)	(10,262)
Net cash flows (used in)/from investing activities		**(8,349)**	**(10,262)**
FINANCING ACTIVITIES			
Issue of share capital		8,500,000	5,494,568
Transaction costs on options issues/capital raising		(614,149)	(285,154)
Payment of finance lease liabilities		(82,385)	(97,894)
Net cash flows from financing activities		**7,803,466**	**5,111,520**
Net decrease in cash and cash equivalents		1,960,961	1,155,900
Cash and cash equivalents at 1 July	9	4,059,442	2,903,542
Cash and cash equivalents at 30 June	9	**6,020,403**	**4,059,442**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 1: Significant Accounting Policies

1.a Corporate Information

The financial report of Antisense Therapeutics Limited and its subsidiaries (the 'Company') for the Year Ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 25th August 2021. 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.

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

Going Concern

The Directors have prepared the 2021 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 $8,060,639 during the year ended 30 June 2021 (30 June 2020: $5,908,202) including expenses relating to the issue of options "share-based payments" of $1,371,332 (30 June 2020 $2,420,086) and incurred an operating cash outflow of $5,834,156 ($3,945,538 year to 30 June 2020). The cash balance at 30 June 2021 is $6,020,403 ($4,059,442 as at 30 June 2020).

As at 30 June 2021, the Company had a net assets position of $5,727,533 (June 2020: $4,530,989) and current assets exceed current liabilities by $5,653,048 (June 2020: $4,415,561). The Company anticipates receiving an R&D Tax incentive refund later in this calendar year in relation to R&D expenditure for the year ended 30 June 2021 (including that associated with the ongoing clinical trial of ATL1102 in DMD).

The Company will need to access additional capital within the next 12 months for further clinical development of its various development projects and to continue to pay its debts as and when they fall due.

After consideration of the available facts the Directors have concluded that the going concern basis is appropriate given the Company's track record of raising capital and the status of ongoing discussions with various parties.

Accordingly the financial statements do not include adjustments relating to the recoverability and



classification of recorded asset amounts, or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

1.c Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

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

New Standard and Interpretations in issue not yet adopted

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

1.e Principles of Consolidation

The consolidated financial statements incorporate the income statement balances of all subsidiaries of Antisense Therapeutics Ltd as at 30 June 2021. Antisense Therapeutics deregistered its subsidiary during the financial year.

1.f Summary of Significant Accounting Policies

a) Government Grants

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

The Company currently receives grant funding in the form of the R&D Tax Incentive 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) Share-based payments

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

The value attributed to share options issued is an estimate calculated using the Binomial pricing model. The choice of models and the resultant share option value require assumptions including share price volatility and the price of the shares. The value of share options is reflected in profit or loss over the vesting period.

c) Borrowing Costs

Borrowing costs are expensed using the effective interest method.

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 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.

Note 1: Significant Accounting Policies *continued*

1.f Summary of Significant Accounting Policies *(continued)*

f) Income Taxes *(continued)*

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting loss nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

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

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

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:

	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.

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 profit or loss attributable to equity holders of the Parent, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

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

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

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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 2: Information Relating to the Antisense Therapeutics Limited (the Parent)

	2021 $	2020 $
ASSETS		
Current assets	6,698,599	5,214,099
Non-current assets	302,004	138,119
Total assets	**7,000,603**	**5,352,218**
LIABILITIES		
Current liabilities	1,045,551	798,539
Non-current liabilities	227,519	22,690
Total liabilities	**1,273,070**	**821,229**
EQUITY		
Contributed equity	77,033,694	69,147,843
Reserves	3,791,418	2,420,086
Retained earnings	(75,097,579	(67,036,940)
Total equity	**5,727,533**	**4,530,989**
Net loss for the year	(8,060,639)	(5,908,202)
Total comprehensive loss of the Parent entity	(8,060,639)	(5,908,202)

Note 3: Revenue and Other Income

	2021 $	2020 $
REVENUE		
Government grants	-	30,097
Interest from external parties	4,181	30,528
Total revenue	**4,181**	**60,625**
OTHER INCOME		
Research and development tax concession	577,764	638,336
Other Income	50,000	72,600
Gain on termination of leases	4,890	-
Total other income	**632,654**	**710,936**
Total revenue & other income	**636,835**	**771,561**

The Company recognised $Nil Innovation Connections Grant (2020: $10,097) and $Nil Entrepreneurs Programme (2020: $20,000) under Government Grants. These are key Australian Government financial assistance programs.

COVID-19 government assistance $50,000 (2020: $72,600) is included in other income. This consists of "Cashflow boost for employers" measure announced as part of the Australian Government's economic stimulus package of March 2020 including a $44 refund for payroll tax waived credit and deferrals which is the coronavirus payroll tax relief provided by the Victorian State Revenue Office for the 2020-21 financial year.



Note 4: Expenses

	2021 $	2020 $
Administrative Expenses		
Compliance expenses	423,884	364,863
Office expenses	47,666	45,409
Corporate employee expenses	868,438	914,806
Business development expenses	836,337	628,483
Total administrative expenses	**2,176,325**	**1,953,561**
Research & Development Expenses		
ATL 1102	4,112,195	1,310,154
ATL 1103	190,430	103,394
Research & Development	610,716	485,771
Total Research & Development Expenses	**4,913,341**	**1,899,319**

For the year ended 30 June 2021 employee expenses totalled $1,429,532 with it being split between Corporate employee expenses ($868,438) and Research & Development expenses ($561,094).

Research and development expenses for the year ended 30 June 2021 include costs related to manufacturing of clinical development supplies.

Note 5: Income Tax

	2021 $	2020 Restated $
Accounting loss before income tax	**(8,060,639)**	**(5,908,202)**
Tax at the Australian tax rate of 26% (2020: 27.5%)	(2,095,766)	(1,624,756)
Share based payments	356,546	665,524
Research and development tax concession	345,330	403,546
Non-assessable grant income	(163,219)	(195,507)
Section 40-880 deductions	(70,348)	(40,628)
Entertainment	363	219
Subtotal	**(1,627,094)**	**(791,602)**
Income tax expense reported in the statement of profit or loss	-	-
Income tax expense/(benefit) attributable to the Company	**-**	**-**
Deferred Tax - Deferred tax assets and liabilities:		
Accruals	91,112	40,832
Prepayments	(20,005)	(57,317)
Provision for annual leave & long service leave	118,077	108,429
Leases (net)	(4,267)	(3,536)
Other	906	362
Net deferred tax asset/(liability) not recognised	**185,823**	**88,770**
Derecognition of deferred tax asset	(185,823)	(88,770)
Net deferred tax asset/(liability)	**-**	**-**

Note 5: Income Tax *continued*

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.

	2021 $	2020 Restated $
Unused tax losses for which no deferred tax asset has been recognised	55,831,996	49,573,942
	55,831,996	**49,573,942**

Note 6: Key Management Personnel Compensation

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

	2021 $	2020 $
Short-term employee benefits	1,232,774	1,198,162
Share-based payments	787,200	2,420,086
Post-employment benefits	79,769	75,265
Long-term benefits	24,283	25,111
	2,124,026	**3,718,624**

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

Note 7: Auditors' Remuneration

The auditor of Antisense Therapeutics Limited is Ernst and Young.

	2021 $	2020 $
Amounts received or due and receivable by Ernst and Young for:		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	76,781	76,553
Fees for assurance services that are required by legislation to be provided by the auditor	-	-
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	-	-
Fees for other services:		
Tax compliance services	20,148	20,148
	96,929	**96,701**

Note 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 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:

	2021 $	2020 $
Net profit/(earnings/(losses)) used in the calculation of basic and diluted earnings/(losses) per share	8,060,639	5,908,202
Weighted average number of ordinary shares for basic EPS	540,980,296	455,833,634
Weighted average number of ordinary shares adjusted for the effect of dilution	**540,980,296**	**455,833,634**

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 2021, the Company had 55,000,000 unlisted options outstanding, which are convertible into 10,000,000 ordinary shares at $0.08 exercise price, at the election of the option holder, 35,000,000 ordinary shares at $0.145 exercise price, at the election of the option holder, 2,000,000 ordinary shares at $0.185 exercise price, at the election of the option holder and 8,000,000 ordinary shares at $0.27 exercise price, at the election of the option holder. 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.

Note 9: Cash and Cash Equivalents

	2021 $	2020 $
Cash at bank and on hand	120,041	359,442
Short-term deposits	5,900,362	3,700,000
	6,020,403	**4,059,442**

The interest rate for cash at bank as at 30 June 2021 was 0.01%p.a. (2020: 0.01% p.a.). The At Call Deposit interest rate was as at 30 June 2021 was 0.01% p.a (2020: 0.10%).

Note 10: Trade and Other Receivables

	2021 $	2020 $
Trade receivables	12,800	-
Research & development tax concession receivable	570,998	643,837
Interest receivable	22	381
Other receivables	17,434	45,097
	601,254	**689,315**

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 11: Other Current Assets

	2021 $	2020 $
Other current assets	-	256,917
	-	**256,917**

30 June 2021: Nil

30 June 2020: The Company entered into a manufacturing agreement with Avecia Inc in February 2020. The terms of the agreement included an immediate upfront project milestone payment for Project Acceptance, with further milestone payments due as identified milestones within the contract are met.

Note 12: Property, Plant and Equipment

	Property, plant & equipment $
Cost	
At 1 July 2019	191,645
Additions	10,262
At 30 June 2020	**201,907**
At 1 July 2020	201,907
Additions	8,349
At 30 June 2021	**210,256**
Depreciation and impairment	
At 1 July 2019	(189,347)
Depreciation charge for the year	(3,912)
At 30 June 2020	**(193,259)**
At 1 July 2020	(193,259)
Depreciation charge for the year	(5,428)
At 30 June 2021	**(198,687)**

	2021 $	2020 $
Gross value	210,256	201,907
Accumulated depreciation	(198,687)	(193,258)
	11,569	**8,649**

Note 13: Trade and Other Payables

	2021 $	2020 $
Trade payables	157,073	107,866
Accrued expenses	350,432	148,480
Other payables	4,577	4,577
Payroll tax and other statutory liabilities	-	30,754
	512,082	**291,677**

Note 14: Employee Benefit Liabilities

	2021 $	2020 $
Current		
Current employee provisions	454,026	394,287
	454,026	**394,287**
Non-current		
Long service leave	117	-
	117	**-**

Note 15: Leases

(i) Amounts recognised in the balance sheet.

In December 2020, the Company entered into a two-year commercial lease on an office in Toorak, with the option to extend for a further two years. This calculation has included the additional two years as the Company is reasonably certain that the extension will be taken up.

The Company's decision to include the extension clause of the rental lease, is based on historical data. The impact of including the extension within the calculation increased the Right-of-use asset and lease liability accordingly.

	30 June 2021 $	30 June 2020 $
Right-of-Use Assets		
Opening balance	129,470	233,159
Take up new Right-of-Use asset, 14 Wallace Ave	335,815	-
Depreciation expense	(97,890)	(103,689)
Termination of old lease, 6-8 Wallace Ave	(76,960)	-
Closing balance	**290,435**	**129,470**

Note 15: Leases *continued*

***(i) Amounts recognised in the balance sheet** (continued).*

	30 June 2021 $	30 June 2020 $
Lease Liabilities		
Opening balance	135,265	233,159
Take up new Right-of-Use asset, 14 Wallace Ave	335,815	-
Interest expense	10,734	12,536
Lease liability payments	(93,119)	(110,430)
Termination of old lease, 6-8 Wallace Ave	(81,850)	-
Balance as at 30 June 2020	**306,845**	**135,265**

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

	30 June 2021 $	30 June 2020 $
Outgoings (back charged Land Tax)	-	75,000
Depreciation charge on right-of-use asset	97,890	103,689
Interest expense (included in finance costs)	10,734	12,536
Gain on termination of lease	4,890	-
	113,514	**191,225**

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

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

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

The Company has the following leased asset:

- Principal place of business as at 31 December, 2020, Level 1, 14 Wallace Avenue, Toorak, Victoria. The lease is effective from 13 December 2020 for a term of two years, expiring 31 December 2022 with an option to extend for a further two years.
- Prior Principal place of business during the reporting period at 6-8 Wallace Avenue, Toorak, Victoria. The lease was terminated effective 31 December 2020.



	30 June 2021 $	30 June 2020 $
Right-of-use - Leased premises	492,014	233,159
Less: Accumulated depreciation	(201,579)	(103,689)
	290,435	**129,470**

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

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

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

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

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

Note 16: Share-based payments

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

The 10,000,000 equity settled options with 8,666,600 being fully vested were issued to Employees and Consultants as per the ASX announcement on 19 March 2021. The exercise price for 2 million options is 18.5 cents. The remaining 8 million options have an exercise price of 27 cents.

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

	2021		2020	
	Average exercise price per share option	**Number of options**	Average exercise price per share option	Number of options
As at 1 July	**$0.13**	**45,000,000**	-	
Granted during the year	**$0.25**	**10,000,000**	$0.13	45,000,000
Exercised during the year	-	-	-	
Forfeited/lapsed during the year	-	-		
As at 30 June	**$0.15**	**55,000,000**	$0.13	45,000,000
Vested and exercisable at 30 June	**$0.15**	**53,666,600**	$0.13	45,000,000
Not yet vested		**1,333,400**		**-**

Note 16: Share-based payments *continued*

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

Grant date	Expiry date	Exercise price ($)	Share options 30 June 2021	Share options 30 June 2020
2019-12-23 (ANPAA)	2023-12-23	0.08	-	10,000,000
2019-12-23 (ANPAB)	2023-12-23	0.145	-	35,000,000
2021-03-19 (ANPAC)	2025-03-18	0.185	2,000,000	-
2021-03-19 (ANPAD)	2025-03-18	0.27	8,000,000	-
			10,000,000	**45,000,000**

The assessed fair value of options at grant date was determined using the Black Scholes option pricing model that takes into account the exercise price, term of the option (48 months), security price at grant date and expected price volatility of the underlying security (120.28%), the expected dividend yield (0.00%), and the risk-free interest rate (0.110%) for the term of the security. The volatility was based on analysing the Company's historical trading data for the last 48 months up to and including the valuation date.

Valuation of the options was completed with the Company recognising the $1,371,332 of share-based payment expense in the statement of profit of loss due to issue of options being vested for the year ended 30 June 2021.

The Option-value model inputs during the period 30 June 2021 included:

Grant date	Expiry date	Exercise price ($)	No. of options	Share price at grant date ($)	Expected volatility	Dividend yield	Risk- free interest rate	Fair value at grant date per option ($)	Vested	Vesting Date
2021-03-19	2025-03-18	0.185	1,733,320	0.205	120.28%	0.00%	0.110%	0.1605	100%	2021-03-19
2021-03-19	2025-03-18	0.185	133,320	0.205	120.28%	0.00%	0.110%	0.1605	0%	2022-03-19
2021-03-19	2025-03-18	0.185	133,360	0.205	120.28%	0.00%	0.110%	0.1605	0%	2023-03-19
2021-03-19	2025-03-18	0.27	6,933,280	0.205	120.28%	0.00%	0.110%	0.1514	100%	2021-03-19
2021-03-19	2025-03-18	0.27	533,280	0.205	120.28%	0.00%	0.110%	0.1514	0%	2022-03-19
2021-03-19	2025-03-18	0.27	533,440	0.205	120.28%	0.00%	0.110%	0.1514	0%	2023-03-19
			10,000,000							

The Option-value model inputs during the period 30 June 2020 included:

Grant date	Expiry date	Exercise price ($)	No. of options	Share price at grant date ($)	Expected volatility	Dividend yield	Risk- free interest rate	Fair value at grant date per option ($)	Vested	Vesting Date
2019-12-11	2023-12-10	0.08	10,000,000	0.082	107.49%	0.00%	0.705%	0.0595	100%	2019-12-19
2019-12-11	2023-12-10	0.145	35,000,000	0.082	107.49%	0.00%	0.705%	0.0522	100%	2019-12-19
			45,000,000							

Note 17: Contributed Equity

	Note	2021 $	2020 $
Ordinary fully paid shares	17(a)	77,033,694	69,147,843
		77,033,694	**69,147,843**

Note 17(a): Ordinary Shares

Reconciliation of share movement in the period:

	30 June 2021		30 June 2020	
	No.	$	No.	$
At the beginning of the period	488,785,281	69,147,843	420,103,487	62,698,317
Transfer of option value over ordinary shares	-	-	-	1,240,112
Shares issued during the year	85,691,062	8,500,000	68,681,794	5,494,568
Transaction costs relating to share issues	-	(614,149)	-	(285,154)
	574,476,343	**77,033,694**	**488,785,281**	**69,147,843**

Details of movement in shares:

2021	Details	Numbers	Issue Price $	AUD $
01 Jul 2020	Balance as at 01 Jul 2020	488,785,281	-	69,147,843
09 Jul 2020	Issue of Shares in lieu of services	202,890	-	-
17 Nov 2020	Place of Shares	73,000,000	0.10	7,300,000
02 Dec 2020	Share Purchase Plan	12,000,000	0.10	1,200,000
15 Jan 2021	Issue of Shares in lieu of services	67,770	-	-
07 May 2021	Issue of Shares in lieu of services	420,402	-	-
07 May 2021	Less Capital Raising costs	-	-	(614,149)
		574,476,343		**77,033,694**

Note 17(a): Ordinary Shares *continued*

Reconciliation of share movement in the period *(continued)*:

2020	Details	Numbers	Issue Price $	AUD $
01 Jul 2019	Balance as at 01 Jul 2019	420,103,487	-	62,698,317
04 Oct 2019	Exercise of Listed Options (ANPOB)	43,154	0.08	3,452
29 Oct 2019	Exercise of Listed Options (ANPOB)	106,785	0.08	8,543
12 Nov 2019	Exercise of Listed Options (ANPOB)	1,163,095	0.08	93,048
25 Nov 2019	Exercise of Listed Options (ANPOB)	842,798	0.08	67,424
04 Dec2019	Exercise of Listed Options (ANPOB)	1,383,288	0.08	110,663
16 Dec 2019	Exercise of Listed Options (ANPOB)	7,473,482	0.08	597,902
18 Dec 2019	Exercise of Listed Options (ANPOB)	11,506,864	0.08	920,549
19 Dec 2019	Transfer value from Option Reserve	-	-	1,240,112
19 Dec 2019	Exercise of Listed Options (ANPOB)	16,804,571	0.08	1,344,366
23 Dec 2019	Exercise of Listed Options (ANPOB)	6,060,748	0.08	484,860
03 Jan 2020	Exercise of Listed Options (ANPOB)	23,297,009	0.08	1,863,791
03 Jan 2020	Less Capital Raising Costs			(285,154)
		488,785,281		**69,147,873**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The ordinary shares have no par value.

Note 17(b): Option Value over Ordinary Shares

Reconciliation of option movement in the period:

	30 June 2021		30 June 2020	
	No.	$	No.	$
At the beginning of the period	-	-	68,681,794	1,240,112
Options exercised during the period	-	-	(68,681,794)	(1,240,112)
	-	**-**	**-**	**-**

During the year ended 30 June 2021 there was no activity. During the year ended 30 June 2020, the Listed Options which expired on 19 December 2019 were exercised,

Note 18: Reserves

Nature and Purpose of the Reserve

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

2021	Details	Numbers	AUD $
01 Jul 2020	Balance as at 01 Jul 2020	45,000,000	2,420,086
19 March 2021	Issue of options (ANPAC)	2,000,000	287,281
19 March 2021	Issue of options (ANPAD)	8,000,000	1,084,051
		55,000,000	**3,791,418**

Note 19: Commitments and Contingencies

Commitments

At 30 June 2021, the Company had commitments of $Nil (2020: $1,281,000) with prior year regarding the GMP manufacture as per original agreement signed February 2020. A subsequent Change Order was implemented, due to deferment of manufacturing to the second half of FY2021 signed 15 May 2020, moving the milestone payments into FY2021.

Note 20: Operating Segment

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

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

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

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

- ATL1102; and
- ATL1103

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

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

30 June 2021	ATL1102	ATL1103	Unallocated (Note a)	Total
	$	$	$	$
Segment revenue and other income	577,764	-	59,071	636,835
Segment expenses	(4,112,195)	(190,430)	(4,394,849)	(8,697,474)
Net result	**(3,534,431)**	**(190,430)**	**(4,335,778)**	**(8,060,639)**

Note 20: Operating Segment *continued*

30 June 2020	ATL1102	ATL1103	Unallocated (Note a)	Total
	$	$	$	$
Segment revenue and other income	653,530	196	117,834	771,560
Segment expenses	(1,310,153)	(103,394)	(5,266,213)	(6,679,760)
Net result	**(656,623)**	**(103,198)**	**(5,148,379**	**(5,908,200)**

Note 20(a): Unallocated breakdown

	2021 $	2020 $
Unallocated revenue and other income		
Interest from external parties	4,181	30,332
Grant Funding	-	14,902
Other Income	54,890	72,600
	59,071	**117,834**
Unallocated result		
Compliance expenses	(423,884)	(364,863)
Business development expenses	(836,337)	(628,483)
Employee expenses	(1,429,532)	(1,349,175)
Patent expenses	(110,299)	(203,802)
Other expenses	(1,594,797)	(2,719,890)
	(4,394,849)	**(5,266,213)**

Note 21: Cash Flow Information

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

	2021 $	2020 $
Cash flow reconciliation		
Reconciliation of net loss after tax to net cash flows from operations:		
Net loss before tax	**(8,060,639)**	**(5,908,202)**
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation expense (inc Leased Assets)	103,319	107,601
Share-based payments	1,371,332	2,420,086
Gain on lease termination	(4,890)	-
Working capital adjustments:		
Movement in trade and other receivables	88,061	(339,765)
Movement in prepayments	131,483	(22,204)
Movement in trade and other payables	220,405	(259,808)
Movement in other current assets	256,917	-
Movement in provisions	59,856	56,934
Net cash flows used in operating activities	**(5,834,156)**	**(3,945,358)**

Note 22: Events After the Reporting Period

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

Note 23: Related Party Transactions

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

- Dr Charmaine Gittleson
- Mr Mark Diamond
- Mr Robert W Moses
- Dr Graham Mitchell
- Mr William Goolsbee
- Dr Gary Pace
- Dr George Tachas
- Ms Nuket Desem
- Mr Phillip Hains

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

Note 24: Financial Risk Management Objectives and Policies

Note 24(a): Financial Instruments

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

	2021 $	2020 $
Cash and cash equivalents	6,020,403	4,059,442
Other current assets	-	256,917
Trade and other receivables	30,256	45,478
Trade and other payables	(512,082)	(291,677)

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 2021 (2020: Nil).

Note 24(b): Risk Management Policy

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

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

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

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

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

Note 24(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 17 and 18. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the Board by the Company's Management the Board monitors the need to raise additional equity from the equity markets.

Note 24: Financial Risk Management Objectives and Policies *continued*

Note 24(d): Financial Risk Management

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

Interest Rate Risk

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

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

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

30 June 2021	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 & cash equivalents	0.18	120,041	5,900,362	-	-	-	6,020,403

30 June 2020	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 & cash equivalents	0.88	359,042	3,700,000	-	-	400	4,059,442

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 2021.

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 2021	(Higher) / Lower 2020
2021: +.31% (2020: +1%)	75	18,235
2021: -.31% (2020: -1%)	(75)	(18,235)

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:

	2021 $	2020 $
Trade and other payables (AUD/USD)	26,876	481
Trade and other payables (AUD/GBP)	382	116
Trade and other payables (AUD/EUR)	37	2,128

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 2021.

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 2021	(Higher) / Lower 2020
AUD/USD: 2021: +4.9% (2020: +3%)	1,317	14
AUD/USD: 2021: -4.9% (2020: -3%)	(1,317)	(14)
AUD/GBP: 2021: +3.4% (2020: +3%)	19	3
AUD/GBP: 2020: -3.4% (2020: -3%)	(19)	(3)
AUD/EUR: 2021: +3% (2020: +3%)	2	64
AUD/EUR: 2021: -3% (2020: -3%)	(2)	(64)

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 2021 GST accounted for $7,432 (2020: $36,865) of the trade and other receivables. At 30 June 2021, accrued interest from the Commonwealth Bank amounted to $22 (2020: $381).

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

Trade receivables

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

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

The expected loss rates are based on the payment profiles of receivables over a period of 60 months before 30 June 2021 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 2021, the Company concludes that there is no significant exposure to credit risk due to Trade Receivables comprising of statutory entitlements of GST refund.

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

	Less than 6 months $	6-12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount (assets)/ liabilities $
30 June 2021 Trade and other receivables	30,256	-	-	-	-	30,256	30,256
Total	**30,256**	**-**	**-**	**-**	**-**	**30,256**	**30,256**
30 June 2020 Trade and other receivables	45,478	-	-	-	-	45,478	45,478
Total	**45,478**	**-**	**-**	**-**	**-**	**45,478**	**45,478**

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

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

Liquidity Risk

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

(i) Maturities of financial liabilities

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

	Less than 6 months $	6-12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount (assets)/ liabilities $
30 June 2021							
Trade and other payables	512,082	-	-	-	-	512,082	512,082
Lease Liabilities	45,000	46,350	94,091	146,085	-	331,526	306,845
Total	**557,082**	**46,350**	**94,091**	**146,085**	**-**	**843,608**	**818,927**
30 June 2020							
Trade and other payables	291,677	-	-	-	-	291,677	291,677
Lease Liabilities	56,065	56,510	28,255	-	-	140,830	140,830
Total	**347,742**	**56,510**	**28,255**	**-**	**-**	**432,507**	**432,507**

Note 25: Company Information

Information about subsidiaries

Antisense Therapeutics (HK) Ltd was deregistered 24 September 2020.

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

			% Equity interest	
Name	**Principal Activities**	**Country of incorporation**	**2021**	**2020**
Antisense Therapeutics (HK) Pty Ltd	Provision of licenses	Australia	100	100

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 2021 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 2021 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 2021.

On behalf of the board,

Signed in accordance with a resolution of the Directors.



Dr Charmaine Gittleson
Independent Non-Executive Chair



Mr Mark Diamond
Managing Directer and Chief Executive Officer

Dated: This day 25th day of August 2021

Building a better working world

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Independent auditor's report to the members of Antisense Therapeutics Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Antisense Therapeutics Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other 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 2021 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 (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1b in the financial report, which indicates that the Group incurred a net loss of $8.06m and a cash outflow from operations of $5.83m during the year ended 30 June 2021. 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.

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Key Audit Matters

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

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

Why significant	How our audit addressed the matter
Research & Development tax benefit	
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 engaged a R&D taxation specialist to assist in preparing its estimated R&D claim for the year ended 30 June 2021 and recognised an amount as receivable under the scheme upon filing its claim along with the lodgement of its annual tax return. The estimated amount of $577,764 is recorded as Other Income in the Consolidated Statement of Profit or Loss and Other 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 to the Financial Report. This was considered a key audit matter due to the quantum of the receivable recorded and the judgement associated with applying the relevant income tax legislation.	Our procedures included: Evaluating the competence, capability and objectivity of the Group's R&D taxation expert; Assessing the methodology and assumptions used by the Group in calculating the R&D income tax credit receivable with reference to the applicable legislation, in conjunction with our R&D taxation specialists; Assessing the mathematical accuracy of the Group's calculations of the estimated R&D credit receivable; and Comparing the historical estimates made in previous years against the actual R&D credits received.



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Why significant	How our audit addressed the matter
Accounting for share based payment arrangements	
During the year, the Group issued share options to certain employees and management personnel under share based payment arrangements. In determining the fair value of the arrangements, the Group used the services of a third-party valuation specialist. Details of these share based payment arrangements are disclosed in Note 16 of the Financial Report and are also disclosed in the Remuneration Report. There is significant judgement involved in determining the fair value and vesting conditions of share based payment arrangements. As a result, the audit of the share based payment arrangements was considered a key audit matter.	Our procedures included: Agreeing the terms of the share based payment arrangements issued during the period to Employee Share Option Plan offer documents; Testing the clerical accuracy of the option valuation models and performing a recalculation of each valuation; Assessing the approach adopted by management in the option valuation models in line with market practice; Assessing the key inputs in the option valuation calculation, including risk free interest rates and expected volatility rates, based on external data; Assessing the disclosure of share based payments against the requirements of Australian Accounting Standards.

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 2021 Annual Report other than the financial report and our auditor's report thereon. We obtained the Operations Report, Intellectual Property Report, Directors' Report and Corporate Governance Statement that are to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 judgement 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 Group'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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 21 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Antisense Therapeutics Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Matt Biernat
Partner
Melbourne
25 August 2021

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Shareholder Information

As at 14 September 2021

Number of Holders of Equity Securities

Ordinary Shares

574,476,343 fully paid ordinary shares are held by 3,887 individual shareholders..

All ordinary shares carry one vote per share.

Distribution of Quoted Security holders

	No. of Holders Ordinary Shares
1 - 1,000	135
1,001 - 5,000	559
5,001 - 10,000	519
10,001 - 100,000	1,927
100,001 +	747
Total number of shareholders	**3,887**
Unmarketable parcels (under $500)	345

Twenty Largest Ordinary Shareholders

	Shareholders	Number	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	30,305,627	5.28
2	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	15,213,043	2.65
3	CITICORP NOMINEES PTY LIMITED	14,306,353	2.49
4	ALTOR CAPITAL MANAGEMENT PTY LTD <ALTOR ALPHA FUND A/C>	11,611,771	2.02
5	CITYCASTLE PTY LTD	10,564,222	1.84
6	ESARAD HOLDINGS PTY LTD	10,550,000	1.84
7	MR DALE ANTHONY REED	10,300,000	1.79
8	MUTUAL INVESTMENTS PTY LTD <MITCHELL FAMILY A/C>	10,270,602	1.79
9	JAMPLAT PTY LTD	10,200,000	1.78
10	MR ROBERT WILLIAM MOSES	9,090,201	1.58
11	MR ROBERTSON MCLENNAN MITCHELL & MRS KAREN JOY MITCHELL	7,100,000	1.24
12	XCELERATE TRADING PTY LTD <XCELERATE TRADING A/C>	5,948,298	1.04
13	SHARED OFFICE SERVICES PTY LTD <PHILANNE S/F A/C>	5,940,602	1.03
14	MR JESSE HEDLEY	5,201,283	0.91
15	MR COLIN WILLIAM MACLEOD & MRS LINDA ELIZABETH MACLEOD <MACLEOD SUPER FUND A/C>	4,500,000	0.78
16	MR MARK DIAMOND	4,423,173	0.77
17	STATEMOOR PTY LTD <PETERS FAMILY A/C>	4,300,000	0.75
18	BAYSPEC PTY LTD	4,100,000	0.71
19	MR GLEN STEPHEN HANLY	4,051,529	0.71
20	MR DAVID KENLEY	4,000,000	0.70
	Total	**181,976,704**	**31.68**
	Total balance of remaining holders	392,499,639	68.32

Unquoted Equity Securities Holdings Greater Than 20%

Nil

Corporate Information

ABN 41 095 060 745

DIRECTORS

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

Mr Mark Diamond (Appointed: 31 October 2001)
Managing Director

Mr Robert W Moses (Appointed: 23 October 2001)
Independent Non-Executive
Director

Dr Graham Mitchell (Appointed: 24 October 2001)
Independent Non-Executive
Director

Dr Gary W Pace (Appointed: 9 November 2015)
Independent Non-Executive
Director

Mr William Goolsbee (Appointed: 15 October 2015)
Independent Non-Executive
Director

COMPANY SECRETARY

Mr Phillip Hains
Joint Company Secretary and Chief Financial Officer

Ms Alicia Mellors
Joint Company Secretary

REGISTERED OFFICE

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SHARE REGISTER

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Telephone: 1300 737 760

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

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Commonwealth Bank of Australia
Melbourne Victoria

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