Antisense Therapeutics Limited
Appendix 4E
Audited Financial Report
Year Ended 30 June 2022

Name of entity	Antisense Therapeutics Limited
ABN	41 095 060 745
Year Ended	30 June 2022
	(Previous corresponding year: 30 June 2021)

Results for Announcement to the Market

The results of Antisense Therapeutics Limited for the Year Ended 30 June 2022 are as follows:

Revenues	up	717.46%	to	34,178
Loss after tax attributable to members	down	27.90%	to	5,811,810
Net Loss for the period attributable to members	down	27.90%	to	5,811,810

Explanation of Results

The Company reported a loss for the full-year ended 30 June 2022 of $5,811,810 (30 June 2021: $8,060,639) including expenses relating to issue of options "share-based payments" of $124,417 (30 June 2021: $1,371,332). The loss is after fully expensing all research and development costs (including those related to the manufacture of clinical development supplies) deployed in successfully advancing the clinical development of ATL1102 for DMD.

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

Dividends

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

Net Tangible Assets Per Share

	2022	2021
Net tangible assets ($)	21,141,439	5,727,532
Shares (No.)	668,793,978	574,476,343
Net tangible assets per share (cents)	3.16	1.00

	2022	2021
Basic loss per share (cents)	(0.92)	(1.49)
Diluted loss per share (cents)	(0.92)	(1.49)

Net tangible assets are defined as the net assets of the Company. Since 01 July 2019 with the adoption of AASB 16: 'Leases' the net tangible assets as at 30 June 2022 include both right-of-use assets and corresponding lease liabilities accounted for under the new requirements.

Status of Audit of Accounts

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



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Audited Financial Report at
30 June 2022

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

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

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

Operations Report (continued)

Progress

Positive Paediatric Investigation Plan

During the period, the Paediatric Committee (PDCO) of the European Medicines Agency (EMA) adopted a positive final Opinion on its Paediatric Investigation Plan (PIP) for the development of ATL1102 for DMD following the PDCO meeting on 15 October 2021. Subsequent to the reporting of this news, the Company received formal ratification by the EMA of this decision. In December 2021, the Company received a positive decision from the MHRA in the UK on the UK PIP submission for the development of ATL1102 for DMD. A PIP is a development plan aimed at ensuring that the necessary data is obtained through studies in children. Approval of the PIP is required to support the authorisation of a medicine for children in the EU. The PIP addresses the entire paediatric development program for ATL1102 in DMD (including future ambulant DMD patient studies).

US Regulatory Plans for ATL1102 in DMD

During the period, the Company submitted to the US Food and Drug Administration (FDA) the protocol synopsis for a nine-month chronic monkey toxicology study to support the dosing of patients with ATL1102 beyond six months in US for DMD or any other clinical application of ATL1102.

The FDA subsequently provided feedback on the protocol design which included their concurrence with the proposed high dose level in the study. The feedback allows the Company to finalise the protocol for the toxicology study with its expert advisors. The timing of the initiation of the nine-month toxicology study will be dependent on progress of ATL1102 in DMD in Europe and continued interactions on the regulatory path in the US with the FDA.

Study of ATL1102 in non-ambulant boys with DMD to be conducted in Europe

During the period the Company provided a progress update on the activities in preparation to the conduct of the trial:

• Site evaluations had been completed with follow on site selection close to finalisation;
• The Company has continued to engage with the Key Opinion Leaders in DMD treatment within the region with great interest shown by them to participate as study investigators;
• Interactions held with the DMD Hub (https://dmdhub.org/) in the UK to review the protocol with the investigators and with Treat NMD (https://treat-nmd.org/) to discuss potential support activities including assistance with trial recruitment via their Global Registry Enquiries and providing expert technical advice;
• The vendors and central laboratories who will conduct the specialised safety and efficacy assessment have been selected;
• Submission of the clinical trial applications to the national authorities to follow - see ‘Material Events after the reporting date’ section below.

Operations Report (continued)

New plasma protein data supports bone density improvement in DMD

In March 2022, the Company presented new plasma protein data from the Phase II trial of ATL1102 in Duchenne Muscular Dystrophy (DMD) at the Muscular Dystrophy Association Clinical & Scientific Conference showing statistically significant mean increases in plasma basic metabolic panel (BMP) BMP-5 and BMP-6 (with a role in cartilage and bone formation) to external healthy adult control levels that are supportive of ATL1102's potential to promote bone regeneration and improve bone density in DMD. This new proteomics data compliments previously presented data on ATL1102's unique and highly relevant mechanism as a potential DMD treatment.

Statistically significant mean increases in BMP-5 (46.2%) and BMP-6 (34.4%) were observed at 24 weeks compared to baseline levels (FDR p-value <0.0005). When compared to an external healthy adult proteomics dataset used as a control, the baseline BMP-5 and BMP-6 levels of patients in the Phase II study were below average with the levels of each protein increasing to near the external healthy adult control mean by the end of the 24 week ATL1102 dosing period. BMP-5 and BMP-6, are both members of the TGF-beta superfamily of proteins and both play a role in cartilage and bone formation. ATL1102's effect in increasing blood levels of BMP-5 and BMP-6 to healthy controls suggests the potential for ATL1102 to improve bone density in DMD. Notably it has been reported that higher serum BMP-6 levels are associated with improved elbow flexion in patients with DMD, which appears to correlate with the positive effects seen on elbow function as assessed in the ATL1102 Phase II trial. BMP-5 and BMP-6 levels are reduced with use of corticosteroid (CS), and the prior administration of CS appears to have reduced baseline levels to below normal in the non-ambulant DMD boys in the Phase II trial. Patients with DMD have an increased risk of bone fractures due to bone fragility through progressive muscle weakness affecting bone strength. Prolonged corticosteroid use also reduces bone density and significantly increases risk of bone fractures (Ward et al 2018).

In addition to previously reported reduction of Thrombospondin-1 (TSP-1) and increases in Latent TGF beta-binding protein 4 (LTBP4) levels, two proteins that modify the rate of loss of ambulation in DMD related to blocking TGF-beta mediated fibrosis, and increase CXCL16 which can promote muscle regeneration, this new plasma BMP-5 and BMP-6 data adds further compelling evidence of ATL1102's unique and highly relevant mechanism of action in its application as a potential DMD treatment.

ATL1102 in ambulant DMD and fibrotic conditions

In September 2021, new ATL1102 Phase II non-ambulant DMD patient plasma protein data was presented at the 26th International Annual Congress of the World Muscle Society in the late breaking news poster titled "ATL1102 treatment in non-ambulant boys with DMD modulates Latent TGF-beta-binding protein 4, and thrombospondin-1, two disease genetic modifiers of ambulant DMD, and CXCL16"

Planned as part of the Phase II study, a large-scale protein analysis (known as a proteomics analysis) of retained blood plasma samples from the non-ambulant DMD patients treated with ATL1102 was undertaken to identify the proteins affected in the blood to provide further insight into the mode of action and biological activity of ATL1102.

- Statistically significant mean modulation at 24 weeks compared to baseline in Thrombospondin-1 (TSP-1) and Latent TGF-beta-binding protein 4 (LTBP4) levels, two proteins that modify the rate of loss of ambulation in DMD. ATL1102 modulation of these two DMD disease modifier proteins known to impact TGF-β and the rate of loss of ambulation in DMD patients supports ATL1102's potential use in ambulant patients with DMD, and as an agent to reduce fibrosis in other human diseases.
- Increase at 24 weeks in plasma VCAM-1 supportive of the ATL1102 mechanism of action of reducing CD49d on the surface of cells to which soluble VCAM-1 is bound, and in CXCL16 which can promote muscle regeneration appear to align with the positive effects on muscle structure observed under MRI in the ATL1102 Phase II trial. These plasma proteins were increased such that they approached the median levels seen in an external control dataset of health adults, supporting the beneficial nature of the outcomes in ATL1102 treated DMD patients. Positive effects on LTBP4 and TSP-1 positions ATL1102 as an exciting prospect for the treatment of both non-ambulant and ambulant patients with DMD and the treatment of other muscle and fibrotic conditions.

Operations Report (continued)

The protein changes observed in the plasma of the ATL1102 treated non ambulant DMD patients in the Phase II study is also consistent with the drug's positive effects on muscle function and strength reported in the ATL1102 Phase II trial.

Based on the positive outcomes from the protein analysis reported above, Australian Provisional Patent Application No. 2021903024 was filed with claims covering applications of ATL1102 in new potential disease settings including diabetic, respiratory and age-related diseases to support the Company's future commercial and partnering plans for ATL1102.

Participation in PPMD development of new Community-Led Duchenne Guidance for FDA

The Company accepted an invitation and nominated its US-based Non-Executive Director & Medical Director, Gil Price, MD to serve as a member of the Pharmaceutical Advisory Board (PAB) for the development of the New Duchenne Guidance by Parent Project Muscular Dystrophy (PPMD) for the US FDA.

PPMD successfully developed the first-ever patient group initiated draft guidance for companies developing treatments for Duchenne. Submitted to the FDA in June 2014, the work was a key resource informing companies and FDA about the evolving drug development landscape for Duchenne muscular dystrophy (DMD), as well as the patient focused views of benefit expectations and risk tolerance of the community. PPMD initiative has since become a landmark not only in the Duchenne community, but across rare disease communities exemplifying the value patients and caregivers can bring to drug development. PPMD has now begun the process for modernizing the landmark Community-Led Guidance of 2014 document to ensure it reflects many advancements in knowledge, understanding, care, clinical trials and approvals over the recent years.

New Muscle Disease Indication for ATL1102 - Limb Girdle Muscular Dystrophy R2

During the period the Company announced positive results from a first study of antisense to CD49d in a limb girdle muscular dystrophy R2 (LGMDR2) mouse model. This successful scientific exploration into a new muscle disease indication for ATL1102 was a strategically minded move on behalf of the Company to capitalise on the extensive data package generated to date on ATL1102 and to broaden Antisense Therapeutics Limited's product pipeline. LGMDR2 is a rare genetic muscle disease that is caused by mutations in the dysferlin gene that leads to significant reduction or absence of dysferlin protein levels in muscle fibers. Dysferlin loss occurs in both males and females with the condition called dysferlinopathy or LGMDR2. LGMDR2 is characterized by muscle inflammation, fibrosis, adiposity (fat) and progressive weakness in the hip and shoulder area (i.e. the limb girdle) proximal muscles (those closest to the center of the body) with loss of ambulation and upper limb function in adulthood. LGMDR2 affects ~ 1 in 125,000 people. There are no disease modifying agents in advanced development and no treatments have proven to be beneficial to slow the progression of the disease.

This first study of antisense to CD49d in the LGMDR2 mouse model (Bla/J mice with dysferlin loss) was undertaken in collaboration with experts in genetic muscle disease at the Murdoch Children's Research Institute (MCRI) in Melbourne and the Jain Foundation in the USA. The Jain Foundation (https://www.jain-foundation.org/), a non-profit disease foundation established in the hopes of curing dysferlinopathy, is coordinating the worldwide efforts to find a treatment for dysferlinopathy and have substantial experience with LGMDR2.

The results from this first investigation of the potential of an antisense to CD49d drug in the Bla/J dysferlin deficient mouse model have shown the use of a low dose of the drug reduces the target (CD49d) and key immune cell (F4/80 macrophage and CD8+ T cells) RNA in the muscle. The results support the Company's plans to move forward with the second phase (chronic setting) of the program with a follow-on study in the same mouse model to test the potential of the low dose to reduce adipose (fat) levels, muscle loss and damage. The second study is planned for 3Q/4QCY22 (pending the availability of suitably aged mice) and designed to run for four months, with results to follow shortly thereafter.

The use of ATL1102 as a treatment for dysferlinopathy is covered in the Company's patent application PCTAU2020/050445 directed at modifying muscle performance by reducing muscle adiposity. The recently filed provisional application 2021903024 also claims the use of ATL1102 to reduce thrombospondin-1 reported to be beneficial in treating the disease. The data from Bla/J mice studies can be used to support the prosecution of these claims and the filing of a new patent application.

Operations Report (continued)

ATL1102 for Multiple Sclerosis (MS) and other inflammatory indications

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 a 25mg/week dose for 6 months under a partial hold introduced by the FDA.

The Company has 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 (as described above) 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.

Long COVID-19 strategic collaboration

In January 2022 Antisense Therapeutics commenced a collaboration to study the neurological aspects of Long COVID-19 (Long Neuro COVID-19) with US based researchers led by Dr Igor Koralnik at the Northwestern Medicine Neuro-COVID clinic in Chicago, USA. Dr Koralnik is a global leader in the field, having treated over 1,000 patients with Long COVID-19 and having published on the subject matter in peer review journals. Under the collaboration, Dr Koralnik will provide existing blood samples, collected from previously studied Long COVID-19 patients including those with neurological symptoms where blood immune cell changes were observed, to generate new data on up to 7,000 protein changes in these blood samples utilising a large-scale protein analysis known as proteomics.

Of the first 80 million people in the US diagnosed as infected and surviving COVID-19, approximately 30% of hospitalized patients and 45% of non-hospitalized patients have developed some manifestation of Long COVID-19 syndrome which suggests more than 24 million people, to some extent, afflicted by the condition. According to the US Centre for Disease Control and Prevention "Post-COVID conditions are associated with a spectrum of physical, social, and psychological consequences, as well as functional limitations that can present substantial challenges to patient wellness and quality of life".

During the period the retained blood samples had been shipped to an industry leading proteomics group Somalogic in Boulder Colorado USA and tested using their SomaScan® assay. The data is being analyzed to identify any proteins significantly affected in the blood of Long Neuro COVID-19 patients compared to convalescent Long COVID-19 patients with no persistent symptoms and compared to healthy subjects in order to identify the proteins that are modulated in Long Neuro COVID-19 disease pathology and to assess if it is potentially amenable to treatment, including with ATL1102. Being able to access these existing clinical samples and test using the SomaScan® assay avoids the time and costs of undertaking a prospective experimental study to collect such samples and enables Antisense Therapeutics to be the first to generate the broadest search of plasma proteins conducted in this disease and do so in a most cost-effective manner.

The Company is looking to capitalise on its deep understanding and experience in inflammatory and immune disease and the power of Somalogic's large scale proteomics platform testing to help shed light on Long Neuro COVID- 19. This is the first study of its kind in the world in characterizing 7,000 blood plasma changes in Long Neuro COVID-19 patients.

Operations Report (continued)

ATL1103 for Acromegaly

ATL1103 also referred to as atesidorsen is an antisense drug designed to block growth hormone receptor (GHr) expression thereby reducing levels of the hormone insulin-like growth factor-I (IGF-I) in the blood. Normalizing serum IGF-I levels is the therapeutic goal in the treatment of acromegaly.

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 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 the Company does continue to pursue potential out-licensing interest in ATL1103 to support and fund ATL1103's ongoing clinical development.

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 period the Company presented and participated at the following events:

- Scandinavian Alliance, Investor Webinar - Stockholm, Sweden, 15 July 2021
- Spark Plus Healthcare Day Webinar - Singapore, 27 July 2021.
- Virtual Investor Roadshow - Singapore & Hong Kong, 1 - 3 September 2021
- Scandinavian Alliance, Investor Webinar - Stockholm, Sweden, 30 September 2021
- Virtual Investor Roadshows - October - November 2021
- Opentrader, Trading Edge; Post lockdown trading webinar - Australia, 17 November 2021
- ShareCafe Due Diligence Webinar - Australia, 23 November 2021
- Spark Plus Healthcare Day Webinar - Singapore, 25 November 2021
- 2021 Annual General Meeting - Melbourne, 15 December 2021
- Duchenne Parent Project Online XIX International Conference - Italy, 17-20 February 2022
- Muscular Dystrophy Association (MDA) Clinical & Scientific Conference - US, 13-15 March 2022
- Edison Group appointed for US & UK Investor Relations and Media
- US Virtual Investor Roadshows - March 2022
- The 2nd Annual Oligonucleotides for CNS Summit - Boston, US, 15 June 2022
- Parent Project Muscular Dystrophy Annual Conference 2022 - Scottsdale Arizona US, 23-26 June 2022
- US Virtual investor roadshow - April - May 2022
- 2022 Bioshares Biotech Summit - Albury, NSW 11-12 May 2022
- Investor Roadshow - Singapore, 18-19 May 2022
- Webinar presentation on proteomics and disease marker identification in DMD - US, 28 June 2022

Board Composition

In October 2021, the Company announced that the Board of Directors had appointed Dr Gil Price as a Non-Executive Director. Dr Price brings to the board a deep understanding and experience in DMD drug development as a clinical physician and extensive commercial development experience combined with a depth of expertise across clinical asset investment strategy, evaluation, financing and execution gained serving as director on multiple boards of private, not-for-profit and public entities, including as non-executive director of Sarepta Therapeutics, Inc. (2007-2016).

Dr Price was elected by shareholders at the 2021 Annual General Meeting (AGM) along with non-executive director Dr Charmaine Gittleson. Three long serving non-executive directors (Robert Moses, Dr Graham Mitchell and William Goolsbee) retired at the AGM. In the period, the Company also announced that Dr Gittleson was to transition to the position of Chair.

Capital Raising

During the period, the Company received gross proceeds of $22.6 million via a capital raising comprising a placement to institutional and sophisticated investors and a follow-on Entitlement Offer to shareholders.

Operations Report (continued)

Bonus Option Offer
On 5 November 2021, the Board of Antisense Therapeutics Limited announced as part of the Company's strategic capital management plan and its wish to implement a reward regime for the Shareholders, a bonus offer of new unlisted options ("New Options") to eligible shareholders on the basis of one (1) Option issued for every twenty (20) ordinary shares held in the Company. The New Options were issued for nil consideration. If fully exercised, the New Options, combined with options issued in December 2021, would raise approximately $36 million.

R&D Tax Incentive
In April 2022, the Company advised that it had received from the Australian Taxation Office an R&D Tax Incentive refund payment of $570,999 for the 30 June 2021 financial year. The amount received was in relation to the expenditure incurred on eligible R&D activities undertaken in Australia for the 2021/2022 financial year.

Financial Position
At 30 June 2022, the Company had cash reserves (including Term Deposits) of $19,233,183 (2021: $6,020,403).

COVID-19 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.

Events After The Balance Sheet Date
Subsequent to the reporting date, the Company advised that it had submitted its first clinical trial application (CTA) for the Phase IIb/III clinical trial of ATL1102 in non-ambulant patients with DMD to the Federal Institute for Drugs and Medical Devices in Germany for their evaluation and subsequent approval of the application.

The submission of the CTA is a significant milestone for the Company encapsulating an extensive effort by the Company in establishing an agreed clinical and regulatory pathway with the European Medicines Agency and in preparing the comprehensive documentation package required by the regulators for trial approval. Company also advised that is was evaluating its clinical plans for ATL1102 in DMD and expected to provide a program update in the 3Q'22.

On 19 August 2022, the Company reported on outcomes from its world first study to assess up to 7,000 plasma proteins in Long COVID-19 patients with neurological symptoms (Long Neuro COVID-19) to identify potential blood markers of the disease. The study was undertaken in collaboration with US based researchers led by global leader in the field, Dr Igor Koralnik, at the Northwestern Medicine Neuro-COVID clinic in Chicago, USA. Under the collaboration, blood samples that had previously been collected from Long Neuro COVID-19 patients who had not been hospitalized (focused on those with neurological symptoms including brain fog, where blood immune cell changes were observed), were tested utilising a large-scale protein analysis known as proteomics. Industry leading proteomics group Somalogic in Boulder Colorado USA undertook the analysis, successfully testing the samples using their SomaScan assay and then the data was statistically analyzed using their Dataviz program. The analyzed data has identified a certain proteins that are significantly modulated in the blood of Long Neuro COVID-19 patients when compared to convalescent subjects (who had recovered from Long Neuro COVID-19 infection with no persistent symptoms) and to healthy subjects. These proteins present as potential diagnostic and therapeutic targets and provisional patent applications have been filed in the United States to seek protection for these new inventions. One of the aims of the proteomics analysis was to assess if Long Neuro COVID-19 patients may have been amendable to treatment with ANP's immunomodulatory drug ATL1102. A potential therapeutic marker also known as having the potential to be modulated by ATL1102 in DMD patients and has been identified and is therefore suggestive of ATL1102's therapeutic potential as a treatment for Long Neuro COVID-19. The Company is looking to further explore the clinical potential of ATL1102 in this setting via applying for grant funding opportunities in collaboration with Professor Koralnik. The Company also plans to review its new patent applications with targeted pharmaceutical and diagnostic companies for potential commercial discussions.

Intellectual Property Report

Antisense Therapeutics has 11 patent families with 51 patents registered, 2 accepted in the process of being registered and 28 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 2021 Annual Report the Company has expanded its patent portfolio as follows:

- International application PCT/AU2018/051353 covering ATL1102 treatment of Duchenne muscular dystrophy (DMD) has been progressed into the examination phase in Australia, Brazil, Canada, China, Japan, New Zealand, South Korea and Europe, together with US continuation-in part 16/404561 and filed in Hong Kong to protect the invention to 2039.
- International application PCT/AU2020/050445 covering ATL1102 treatment of other muscular conditions has been progressed with filings in the national phase in 8 countries, Australia, Brazil, Canada, China, Japan, New Zealand, South Korea, the USA and the regional phase in Europe, to protect the invention to 2040; The European case is now under examination.
- New Australian Provisional Patent application 2021903024 was filed on 20 September 2021 covering new ATL1102 effects on plasma proteins (proteomics) and ATL1102 applications in new potential disease settings including diabetic, respiratory and age-related diseases
- Australian patent application 2016349954 and European patent application 16861126.7 have been accepted, and granted US patent 11041156 is now registered covering the use of ATL1102 for mobilizing leukemia cells in the treatment of acute myeloid leukemia (AML) to 2036.
- Canadian Patent 2,863,499 has been registered covering ATL1103 use in combination with Somavert for the treatment of Acromegaly to 2033. New Zealand Patent 715825 has been registered covering ATL1103 use in combination with Somatostatin for the treatment of Acromegaly to 2034.

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

Country	Patent application or Patent No.	Current Status	Expiry
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**
Europe	11194098.7 Divisional of 04715642.7	Regional Phase – Granted. Patent registered in the 10 European countries below **	2024**
Japan	4837555	Patent Registered	2024**
Japan	2014-042448 Divisional	Patent Registered	2024**
New Zealand	542595	Patent Registered	2024**
USA	7,846,906	Patent Registered	2024**
USA	8,623,836	Patent Registered	2024**
ATL1103 GHBP reduction Patents			
USA	9,371,530	Patent Registered	2024*
USA	9,988,635	Patent Registered	2024*

Intellectual Property Report (continued)

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 below	
Denmark		Patent Registered	2033*
Finland		Patent Registered	2033*
France		Patent Registered	2033*
Germany		Patent Registered	2033*
Italy		Patent Registered	2033*
Spain		Patent Registered	2033*
Sweden		Patent Registered	2033*
Switzerland		Patent Registered	2033*
The Netherlands		Patent Registered	2033*
United Kingdom		Patent Registered	2033*
Japan	2014-555044	Patent Registered	2033*
New Zealand	629004	Patent Registered	2033*
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 to 2034*	2034*
Japan	2016-518801	Patent Registered	2034*
New Zealand	715825	Patent Registered	2034
USA	17/516543	Under Examination	2034*
ATL1102 MS Patent Portfolio **			
ATL1102 MS active brain lesion reduction Patents			
International	PCT/US2009/003760	National Phase applications	
Australia	AU 2009271678	Patent Registered	2029*
Canada	2,728562	Patent Registered	2029
Europe	9798248.2	Regional Phase -	2029**
Europe***	15155831.9 Divisional of 09798248.2	Regional Phase – Granted. Patent registered in the 10 European countries below	2029*
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*

Intellectual Property Report (continued)

United Kingdom		Patent Registered	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	Under Examination	2038*
Canada	3067193	Filed	2038
Europe***	18,816,566	Under Examination	2038*
New Zealand	760,076	Under Examination	2038
USA	16/622,820	Under Examination	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	Under Examination	2039*
International	PCT/AU2018/051353	National Phase Applications	2039
Australia	2018421460	Under Examination	2039*
Brazil	BR 11 2020 022519 3	Under Examination	2039
Canada	3098912	Under Examination	2,039
China	201880095236.4	Under Examination	2039*
Europe***	18917201.8	Under Examination	2039*
Hong Kong	18917201.8	Filed	2039*
Japan	2021-510492	Under Examination	2039*
South Korea	10-2020-7035006	Under Examination	2039*
New Zealand	769597	Under Examination	2039
ATL1102 Therapeutic uses and methods (for treating Muscular Dystrophy) patent applications			
International	PCT/AU2020/050445	Filed	2040
Australia	2020269078	Filed	2040*
Brazil	BR 11 2021 022208 1	Filed	2040
Canada	3,138,945	Filed	2040
China	202080049373.1	Filed	2040*
Europe***	20801836.8	Under Examination	2040*
Japan	2021-566041	Filed	2040*
South Korea	2021-7039906	Filed	2040*
New Zealand	783065	Filed	2040
USA	17/609334	Filed	2040*
ATL1102 Methods of mobilizing leukemia cells (for treating AML)			
Australian Provisional application	2021903024	Pre- International Phase	2042
ATL1102 Methods of mobilizing leukemia cells (for treating AML)			
International	PCT/AU 2016/051059	National Phase applications	
Australia	2016/051059	Accepted	2036*
Canada	3007424	Filed	2036
Europe***	16861126.7	Accepted	2036*
USA	15/971938	Patent Registered	2036*

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

Intellectual Property Report (continued)

** ATL1102 and ATL1103 are protected internationally by other Ionis proprietary antisense technology patents and applications to which Antisense Therapeutics has world-wide license including US7015315 with an expiry of September 2023. For ATL1103 cases with expiry of 2024 and 2025 there will be no payments of annuity, renewal and maintenance fees allowing these cases to lapse in due course before expiry without further payment of fees.

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

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

Director's Report

Directors

The Board of Directors of Antisense Therapeutics Limited present their report on the consolidated entity (referred to hereafter as 'the Company') consisting of Antisense Therapeutics Limited and the entities it controlled at the end of, or during, the Year Ended 30 June 2022. 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 and options	133,333 ordinary shares and 6,667 options over ordinary shares.
Committees	Chair of Remuneration Committee; Member of other Audit Committee and Nominating and Governance Committee
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 and options	4,893,722 ordinary shares and 14,479,961 options over ordinary shares.
Committees	Nil

Directorships held in other listed entities	Nil
Directorships previously held in other listed entities	Nil

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

Director's Report (continued)

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 and options	1,236,138 ordinary shares and 7,000,000 options over ordinary shares.
Committees	Chair of Nominating and Governance Committee; Member of other Remuneration Committee and Audit Committee
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 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.

Director's Report (continued)

Principal Activities

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

Dividends

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

Significant Changes in the State of Affairs

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

Significant Events After the Balance Date

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 2022 was $5,811,810 (30 June 2021 loss : $8,060,639) including expenses relating to the issue of options "share-based payments" $124,417 (30 June 2021: $1,371,332).

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 $19,233,183 at 30 June 2022 (30 June 2021: $6,020,403).

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

Director's Report (continued)

Risk Management (continued)

- 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.

Director's Report (continued)

Risk Management (continued)

Biotechnology Companies – Inherent Risks (continued)

Regulatory Approvals

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

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

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

Competition

The Company will always remain subject to the material risk arising from the intense competition that exists in the pharmaceutical industry. A material risk therefore exists that one or more competitive products may be in human clinical development now or may enter into human clinical development in the future. Competitive products focusing on or directed at the same diseases or protein targets as those that the Company is working on may be developed by pharmaceutical companies or other antisense drug companies including Ionis or any of its other collaboration partners or licensees. Such products could prove more efficacious, safer, more cost effective or more acceptable to patients than the Company product. It is possible that a competitor may be in that market place sooner than the Company and establish itself as the preferred product.

Technology and Intellectual Property Rights

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

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

Environmental Regulation and Performance

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

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:

Director's Report (continued)

Directors' Meetings (continued)

	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	16	16	2	2	1	1
Mr Mark Diamond	16	16	2	2	-	-
Dr Gary W Pace	16	14	2	2	1	1
Mr Robert W Moses	10	10	1	1	-	-
Dr Ben Gil Price	8	8	1	1	1	1
Dr Graham Mitchell	10	10	1	1	-	-
Mr William Goolsbee	10	10	1	1	-	-

Committee Membership

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

	Audit Committee	Remuneration Committee	Nominating and Governance Committee
Chair	Dr Ben Gil Price (Interim)	Dr Charmaine Gittleson	Dr Gary W Pace
Members	Dr Charmaine Gittleson	Dr Ben Gil Price	Dr Charmaine Gittleson
	Dr Gary W Pace	Dr Gary W Pace	Dr Ben Gil Price

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 2022 under the Company's Directors' and Officers' Liability Insurance Policy, the Company cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium. Accordingly, the Company relies on section 300(9) of the Corporations Act 2001 to exempt it from the requirement to disclose the nature of the liability insured against and the premium amount of the relevant policy.

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

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

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

Director's Report (continued)

Indemnification of Auditors - Ernst and Young

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

Proceedings on Behalf of the Company

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

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

Share Options on Issue as at the Date of the Report

Unissued Shares

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

Class	Date of expiry	Exercise price	No. under option
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
ANPAF*	20 December 2024	$0.48	80,386,886
ANPAG*	20 December 2024	$0.48	0
ANPAH*	20 December 2024	$0.48	0

*These options are free-attaching options. ASX combined the options under ANPAF on 07 June 2022.

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 2022 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:

	2022 $	2021 $
Tax compliance services	22,940	20,148
	22,940	**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.

Director's Report (continued)

Remuneration Report (Audited)

1. Remuneration Report Overview

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

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

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

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

Name	**Position**
Directors:	
Dr Charmaine Gittleson	Independent Non-Executive Chair
Mr Mark Diamond	Managing Director
Dr Gary Pace	Independent Non-Executive Director
Dr Ben Gil Price	Independent Non-Executive Director
Mr Robert W Moses	Independent Non-Executive Director (Resigned: 15 December 2021)
Dr Graham Mitchell	Independent Non-Executive Director (Resigned: 15 December 2021)
Mr William Goolsbee	Independent Non-Executive Director (Resigned: 15 December 2021)
Other key management personnel:	
Dr George Tachas	Director, Drug Discovery & Patents
Ms Nuket Desem	Director, Clinical & Regulatory Affairs
Mr Phillip Hains	Joint Company Secretary and 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 2022, the Company's earnings had remained negative since inception due to the nature of the Company. Shareholder wealth reflects this speculative and volatile market sector. No dividends have ever been declared by the Company.

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

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

- Net loss financial year 2022 $5,811,810
- Net loss financial year 2021 $8,060,639
- Net loss financial year 2020 $5,908,202
- Net loss financial year 2019 $2,944,499
- Net loss financial year 2018 $2,331,015

Director's Report (continued)

Remuneration Report (Audited) (continued)

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

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

- 30 June 2022 $0.075
- 30 June 2021 $0.195
- 30 June 2020 $0.074
- 30 June 2019 $0.045
- 30 June 2018 $0.025

C. The Remuneration Committee

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

D. Non-Executive Director Remuneration

Objective

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

Structure

The Company's Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a General Meeting. An amount (not exceeding the amount approved at the General Meeting) is determined by the Board and then divided between the Non-Executive Directors as agreed. The latest determination was at the General Meeting held on 13 November 2001 when shareholders approved the aggregate maximum sum to be paid or provided as remuneration to the Directors as a whole (other than the Managing Director and Executive Directors) for their services as $500,000 per annum.

In the year ended 30 June 2022, the Non-Executive Directors were remunerated in aggregate $323,358 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 and Executive Officer Remuneration

Objective

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

Director's Report (continued)

Remuneration Report (Audited) (continued)

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

Structure

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

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

The Company approved the issue of an incentive payment (short term) for 2022. There was no long term incentives awarded in 2022. The Company did not award any short term or long term incentives in 2021.

Director's Report (continued)

Remuneration Report (Audited) (continued)

3. Details of Remuneration

A. Details of Remuneration

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

	Short-term employee benefits		Post-employment Benefits	Long-term Benefits	Share-Based Payments	
30 June 2022	Cash salary and fees $	Short term incentive	Pension and Super Contribution $	Long Service Leave $	Options $	Total $
Directors						
Dr Charmaine Gittleson	50,000	-	5,000	-	-	55,000
Dr Ben Gil Price	51,066	-	-	-	62,208	113,274
Mr Mark Diamond	432,700	140,000	27,450	5,484	-	605,634
Dr Gary Pace (1)	68,415		-	-	-	68,415
Mr Robert W Moses (3)	28,147	-	2,815	-	-	30,962
Dr Graham Mitchell (3)	19,984	-	1,734	-	-	21,718
Mr William Goolsbee (1) (3)	33,989	-	-	-	-	33,989
	684,300	**140,000**	**36,999**	**5,484**	**62,208**	**928,991**
Other key management personnel						
Dr George Tachas	253,990	32,000	25,343	3,295	-	314,628
Ms Nuket Desem	258,942	25,000	24,607	17,765	-	326,315
Mr Phillip Hains (2)	149,000	-	-	-	-	149,000
	661,932	**57,000**	**49,950**	**21,060**	**-**	**789,943**
	1,346,232	**197,000**	**86,949**	**26,544**	**62,208**	**1,718,934**

(1) The US Directors are paid USD$50,000 per annum.
(2) Remunerated through The CFO Solution (see Section 5 below and the Company Secretary details for further detail)
(3) Resigned on 15 December 2021

Director's Report (continued)

Remuneration Report (Audited) (continued)

3. Details of Remuneration (continued)

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

	Short-term employee benefits		Post-employment Benefits	Long-term Benefits	Share-Based Payments	
30 June 2021	Cash salary and fees $	Short term incentive	Pension and 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).

Director's Report (continued)

Remuneration Report (Audited) (continued)

4. Share-Based Compensation

Shareholdings

The number of shares in the Company held during the financial year by each Director and other Key Management Personnel of the Company, including their personally related parties, are set out below.

No shares were granted to Directors and Key Management Personnel during the period as compensation.

30 June 2022	Balance at start of the year	Granted as compensation	Options exercised	Net change other	Total
Directors					
Dr Charmaine Gittleson (3)	-	-	-	133,333	133,333
Dr Ben Gil Price	-	-	-	-	-
Mr Mark Diamond (4)	4,423,173	-	-	470,549	4,893,722
Dr Gary Pace	1,236,138	-	-	-	1,236,138
Mr Robert W Moses (2)	9,090,201	-	-	-	9,090,201
Dr Graham Mitchell (2)	395,550	-	-	-	395,550
Mr William Goolsbee (2)	1,099,243	-	-	-	1,099,243
	16,244,305	**-**	**-**	**603,882**	**16,848,187**
Other key management personnel					
Dr George Tachas (4)	1,899,890	-	-	363,676	2,263,566
Ms Nuket Desem (4)	44,000	-	-	4,680	48,680
Mr Phillip Hains (1)	7,439,999	-	-	171,632	7,611,631
	9,383,889	**-**	**-**	**539,988**	**9,923,877**
	25,628,194	**-**	**-**	**1,143,870**	**26,772,064**

(1) Remunerated through The CFO Solution (see Section 5 below and the Company Secretary details for further detail)
(2) Resigned on 15 December 2021
(3) Shares purchased on market
(4) Employee direct participation in, and take up of, entitlement offer announced 01 Nov 2021

Director's Report (continued)

Remuneration Report (Audited) (continued)

4. Share-Based Compensation (continued)

Options and Rights

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

30 June 2022	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 (2)	-	-	-	6,667	-	6,667
Dr Ben Gil Price	1,000,000					1,000,000
Mr Mark Diamond (2)	14,000,000	-	-	479,961	-	14,479,961
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 Pace	7,000,000	-	-	-	-	7,000,000
	46,000,000	**-**	**-**	**486,628**	**-**	**46,486,628**
Other key management personnel						
Dr George Tachas (2)	2,000,000	-	-	193,673	-	2,193,673
Ms Nuket Desem (2)	2,000,000	-	-	4,774	-	2,004,774
Mr Phillip Hains (1)	1,000,000	-	-	460,922	-	1,460,922
	5,000,000	**-**	**-**	**659,369**	**-**	**5,659,369**
	51,000,000	**-**	**-**	**1,145,997**	**-**	**52,145,997**

(1) Remunerated through The CFO Solution (see Section 5 below and the Company Secretary details for further detail)
(2) Options issued under Entitlement Offer as announced 01 Nov 2021

Director's Report (continued)

Remuneration Report (Audited) (continued)

4. Share-Based Compensation (continued)

Options

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 %
19-03-2021	18-03-2025	19-03-2021	0.185	1,066,660	0.205	120.28%	0.00%	0.110%	0.1605	100
19-03-2021	18-03-2025	19-03-2022	0.185	66,660	0.205	120.28%	0.00%	0.110%	0.1605	100
19-03-2021	18-03-2025	19-03-2023	0.185	66,680	0.205	120.28%	0.00%	0.110%	0.1605	-
19-03-2021	18-03-2025	19-03-2021	0.270	4,266,640	0.205	120.28%	0.00%	0.110%	0.1514	100
19-03-2021	18-03-2025	19-03-2022	0.270	266,640	0.205	120.28%	0.00%	0.110%	0.1514	100
19-03-2021	18-03-2025	19-03-2023	0.270	266,720	0.205	120.28%	0.00%	0.110%	0.1514	-
				6,000,000						

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

The Company recognised for KMP $62,208 in share-based payment expense in the statement of profit or loss (30 June 2021: $838,908) .The Company recognised a total of $124,417 of share-based payment expense in the statement of profit or loss (30 June 2021: $1,371,332). The total vested and exercisable options for the year ended 30 June 2022 is 54,333,200 (30 June 2021: 53,666,600)

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 %
19-03-2021	18-03-2025	19-03-2021	0.185	1,000,000	0.205	120.28%	0.00%	0.110%	0.1605	100
19-03-2021	18-03-2025	19-03-2021	0.270	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.

Director's Report (continued)

Remuneration Report (Audited) (continued)

5. Employment Contracts of Key Management Personnel

At the date of this report, the employment conditions of the Managing Director, Mr Mark Diamond and other Key Management Personnel were formalised in contracts of employment. Mr Mark Diamond is employed under a contract, which commenced on 31 October 2001. Subsequent to this contract a notice period for Mr Diamond of six 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 was employed under a part time contract which commenced 25 July 2018. She was changed to a full time employment agreement which commenced 1 May 2022. 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 2022

During the financial year ended 30 June 2022, no options have been exercised. No 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.

Director's Report (continued)

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 31st day of August 2022

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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 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Matt Biernat
Partner
31 August 2022

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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 2022 corporate governance statement is dated as at 30 June 2022 and reflects the corporate governance practices in place throughout the 2022 financial year. The 2022 corporate governance statement was approved by the board on 31 August 2022. A description of the group's current corporate governance practices is set out in the group's corporate governance statement which can be viewed https://antisense.com/investorrelations/corporate-governance/.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Notes	2022 $	2021 $
Interest from external parties	3	34,178	4,181
Other income	3	1,777,904	632,654
		1,812,082	**636,835**
Depreciation expenses		(89,218)	(103,319)
Administrative expenses	4	(2,794,017)	(2,176,325)
Occupancy expenses		(2,803)	(8,665)
Patent expenses		(65,680)	(110,299)
Research and development expenses	4	(4,535,094)	(4,913,341)
Foreign exchange gains/(losses)		(755)	(3,459)
Finance costs	15	(11,908)	(10,734)
Share-based payments	16	(124,417)	(1,371,332)
Loss before tax		**(5,811,810)**	**(8,060,639)**
Income tax benefit	5	-	-
Loss for the year		**(5,811,810)**	**(8,060,639)**
Other comprehensive income/(loss) for the year, net of tax		**-**	**-**
Total comprehensive loss for the year, net of tax		**(5,811,810)**	**(8,060,639)**
Loss per share			
Basic loss per share (cents)	8	(0.92)	(1.49)
Diluted loss per share (cents)	8	(0.92)	(1.49)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	9	19,233,183	6,020,403
Trade and other receivables	10	1,840,976	601,254
Prepayments		612,785	76,942
Other current assets	11	533,015	-
		22,219,959	6,698,599
Non-current assets			
Plant and equipment	12	9,083	11,569
Right-of-use assets	15	207,616	290,435
		216,699	302,004
Total assets		**22,436,658**	**7,000,603**
Liabilities			
Current liabilities			
Trade and other payables	13	541,023	512,082
Employee benefit liabilities	14	525,658	454,026
Lease liabilities	15	94,091	79,443
		1,160,772	1,045,551
Non-current liabilities			
Lease liabilities	15	133,312	227,402
Employee benefit liabilities	14	1,135	117
		134,447	227,519
Total liabilities		**1,295,219**	**1,273,070**
Net assets		**21,141,439**	**5,727,533**
Equity			
Contributed equity	17	98,134,995	77,033,694
Reserves	18	3,915,834	3,791,418
Accumulated losses		(80,909,390)	(75,097,579)
Total equity		**21,141,439**	**5,727,533**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2022

		Contributed equity (Note 17)	Reserves (Note 18)	Accumulated losses	Total
		$	$	$	$
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 (Note 17)		8,500,000	-	-	8,500,000
Share-based payments (Note 16)		-	1,371,332	-	1,371,332
Transactions costs on options issues/capital raising		(614,149)	-	-	(614,149)
At 30 June 2021		**77,033,694**	**3,791,418**	**(75,097,579)**	**5,727,533**
As at 1 July 2021		**77,033,694**	**3,791,418**	**(75,097,580)**	**5,727,532**
Loss for the period		-	-	(5,811,810)	(5,811,810)
Total comprehensive income		-	-	(5,811,810)	(5,811,810)
Issue of share capital	17.a	22,586,503	-	-	22,586,503
Share-based payments (Note 16)		-	124,416	-	124,416
Transactions costs on options issues/capital raising	17.a	(1,485,202)	-	-	(1,485,202)
At 30 June 2022		**98,134,995**	**3,915,834**	**(80,909,390)**	**21,141,439**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2022

	Notes	2022 $	2021 $
Operating activities			
Payments to suppliers and employers		(8,380,860)	(6,528,565)
Interest paid		(11,908)	(10,734)
Interest received		16,604	4,540
R&D tax concession refund		570,998	650,603
Other Income		-	50,000
Net cash flows used in operating activities	**21**	**(7,805,166)**	**(5,834,156)**
Investing activities			
Purchase of property, plant and equipment		(3,913)	(8,349)
Net cash flows used in investing activities		**(3,913)**	**(8,349)**
Financing activities			
Issue of share capital		22,586,503	8,500,000
Transaction costs on capital raising		(1,485,202)	(614,149)
Payment of lease liabilities		(79,442)	(82,385)
Net cash flows from financing activities		**21,021,859**	**7,803,466**
Net increase in cash and cash equivalents		13,212,780	1,960,961
Cash and cash equivalents at 1 July	9	6,020,403	4,059,442
Cash and cash equivalents at 30 June	9	**19,233,183**	**6,020,403**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2022

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 2022 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 2022 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 $5,811,810 during the year ended 30 June 2022 (30 June 2021: $8,060,639) including expenses relating to the issue of options "share-based payments" of $124,417 (30 June 2021 $1,371,332) and incurred an operating cash outflow of $7,805,166 (30 June 2021: $5,834,156). The cash balance at 30 June 2022 is $19,233,183 (30 June 2021: $6,020,403).

As at 30 June 2022, the Company had a net assets position of $21,141,439 (30 June 2021: $5,727,533) and current assets exceed current liabilities by $21,059,187 (30 June 2021: $5,653,048). 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 2022 (including that associated with the ongoing clinical trial of ATL1102 in DMD).

For the Year Ended 30 June 2022

1. Significant Accounting Policies (continued)

1.b Basis of Preparation (continued)

Going Concern (continued)

For the further clinical development projects and to continue to pay its debts as and when they fall due, the Company will need to access additional capital.

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 2022. 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. The grant funding is to facilitate research projects in collaboration with Publicly Funded Research Organisation to develop new ideas to commercial potential.

For the Year Ended 30 June 2022

1. Significant Accounting Policies (continued)

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).

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

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

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

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

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

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

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

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

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

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

c) Borrowing Costs

Borrowing costs are expensed using the effective interest method.

For the Year Ended 30 June 2022

1. Significant Accounting Policies (continued)

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.

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:

For the Year Ended 30 June 2022

1. Significant Accounting Policies (continued)

g) Goods and Services Tax (GST) (continued)

- 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.

For the Year Ended 30 June 2022

1. Significant Accounting Policies (continued)

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.

For the Year Ended 30 June 2022

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

	2022	2021
	$	$
Assets		
Current assets	22,219,959	6,698,599
Non-current assets	216,699	302,004
Total assets	**22,436,658**	**7,000,603**
Liabilities		
Current liabilities	1,160,772	1,045,551
Non-current liabilities	134,447	227,519
Total liabilities	**1,295,219**	**1,273,070**
Equity		
Contributed equity	98,134,995	77,033,694
Reserves	3,915,834	3,791,418
Retained earnings	(80,909,390)	(75,097,579)
Total equity	**21,141,439**	**5,727,533**
Net loss for the year	(5,811,810)	(8,060,639)
Total comprehensive loss of the Parent entity	(5,811,810)	(8,060,639)

3. Revenue and Other Income

	2022	2021
	$	$
Revenue		
Interest from external parties	34,178	4,181
Total revenue	**34,178**	**4,181**
Other income		
Research and development tax concession	1,777,904	577,764
Other Income	-	50,000
Gain on termination of leases	-	4,890
Total other income	**1,777,904**	**632,654**
Total revenue and other income	**1,812,082**	**636,835**

For the Year Ended 30 June 2022

3. Revenue and Other Income (continued)

COVID-19 government assistance $Nil (2021: $50,000) 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.

4. Expenses

	2022	2021
	$	$
Administrative expenses		
Compliance expenses	617,884	423,884
Office expenses	39,742	47,666
Corporate employee expenses	993,947	868,438
Business development expenses	1,142,444	836,337
Total administrative expenses	**2,794,017**	**2,176,325**
Research and development expenses		
ATL 1102	3,552,594	4,112,195
ATL 1103	113,112	190,430
Research & Development	869,388	610,716
Total research and development expenses	**4,535,094**	**4,913,341**

For the year ended 30 June 2022 employee expenses totalled $1,821,222 (2021: $1,429,532) with it being split between Corporate employee expenses of $993,947 (2021: $868,438) and Research & Development expenses of $827,275 (2021: $561,094).

Research and development expenses for the year ended 30 June 2022 and 2021 include costs related to manufacturing of clinical development supplies.

5. Income Tax

	2022	2021
	$	$
Accounting loss before income tax	**(5,811,810)**	**(8,060,639)**
Tax at the Australian tax rate of 25% (2021: 26%)	(1,452,953)	(2,095,766)
Share based payments	31,104	356,546
Research and development tax concession	1,021,784	345,330
Non-assessable grant income	(444,476)	(163,219)
Section 40-880 deductions	(139,797)	(70,348)
Entertainment	622	363
Subtotal	**(983,716)**	**(1,627,094)**
Income tax expense reported in the statement of profit or loss	-	-
Income tax expense/(benefit) attributable to the Company	**-**	**-**

For the Year Ended 30 June 2022

5. Income Tax (continued)

Deferred Tax

Deferred tax assets and liabilities:

	2022	2021
	$	$
Accruals	51,261	91,112
Prepayments	(153,196)	(20,005)
Provision for annual leave & long service leave	175,478	118,077
Leases (net)	(4,947)	(4,267)
Other	(4,564)	906
Net deferred tax asset/ (liability) not recognised	**64,032**	**185,823**
Derecognition of deferred tax asset	(64,032)	(185,823)
Net deferred tax asset/ (liability)	**-**	**-**

Tax Losses

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

	2022	2021
	$	$
Unused tax losses for which no deferred tax asset has been recognised	59,766,858	55,831,996
	59,766,858	**55,831,996**

6. Key Management Personnel Compensation

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

	2022	2021
	$	$
Short-term employee benefits	1,543,232	1,232,774
Share-based payments	62,208	787,200
Post-employment benefits	86,950	79,769
Long-term benefits	26,544	24,283
	1,718,934	**2,124,026**

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

For the Year Ended 30 June 2022

7. Auditors' remuneration

The auditor of Antisense Therapeutics Limited is Ernst and Young.

	2022	2021
	$	$
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	76,648	76,781
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	22,940	20,148
	99,588	**96,929**

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:

	2022	2021
	$	$
Net profit/(earnings/(losses)) used in the calculation of basic and diluted earnings/(losses) per share	(5,811,810)	(8,060,639)
Weighted average number of ordinary shares for basic EPS	634,294,288	540,980,296
Weighted average number of ordinary shares adjusted for the effect of dilution	**634,294,288**	**540,980,296**

For the Year Ended 30 June 2022

8. Earnings per share (EPS) (continued)

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.

In November 2021, the Company successfully raised $20 million from a placement of 83,333,332 shares to institutional and sophisticated investors at an issue price of $0.24 per share. For every two shares subscribed under the placement, participants were also entitled to apply for one free unlisted option to acquire one share by way of issue in the Company exercisable at $0.48.

In December 2021, the Company offered eligible shareholders to participate in the Entitlement Offer wherein each shareholder was able to apply for 1 new share for every 9.4 existing shares already held, at an issue price of $0.24 per new Share. Under the entitlement offer, shareholders also received one free unlisted option for every two new shares issued. Through the entitlement offer, there were 10,777,099 new shares issued for $2,596,504 (see Note 17a).

With the new shares subscribed, there were a total of 80,386,886 free attaching options (see Note 17b) and 55,000,000 outstanding share options at the end of 30 June 2022 (see Note 16).

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

9. Cash and Cash Equivalents

	2022	2021
	$	$
Cash at bank and on hand	816,916	120,041
Short-term deposits	18,416,267	5,900,362
	19,233,183	**6,020,403**

The interest rate for cash at bank as at 30 June 2022 was 0%p.a. (2021: 0.01% p.a.). The At Call Deposit interest rate as at 30 June 2022 was 1.13% p.a (2021: 0.01%). The Fixed Term Deposit interest rate as at 30 June 2022 was 1.94% (2021: n/a).

10. Trade and Other Receivables

	2022	2021
	$	$
Trade receivables	30,326	12,800
Research and development tax concession receivable	1,777,904	570,998
Interest receivable	17,596	22
Other receivables	15,150	17,434
	1,840,976	**601,254**

11. Other current assets

	2022	2021
	$	$
Other current assets	533,015	-
	533,015	**-**

The company entered into a manufacturing agreement in October 2021. The amount relates to a payment of US$367,500 for manufacturing services paid in advance (2021: nil).

For the Year Ended 30 June 2022

12. Property, Plant and Equipment

	Property, plant and equipment
	$
Cost	
At 1 July 2020	201,907
Additions	8,349
At 30 June 2021	**210,256**

	$
At 1 July 2021	210,256
Additions	3,913
At 30 June 2022	**214,169**

	$
Depreciation and impairment	
At 1 July 2020	(193,259)
Depreciation charge for the year	(5,428)
At 30 June 2021	**(198,687)**

	$
At 1 July 2021	(198,687)
Depreciation charge for the year	(6,399)
At 30 June 2022	**(205,086)**

	2022	2021
	$	$
Gross value	214,169	210,256
Accumulated depreciation	(205,086)	(198,687)
	9,083	**11,569**

For the Year Ended 30 June 2022

13. Trade and Other Payables

	2022	2021
	$	$
Trade payables	331,404	157,073
Accrued expenses	205,042	350,432
Other payables	4,577	4,577
	541,023	**512,082**

14. Employee Benefit Liabilities

	2022	2021
	$	$
Current		
Annual leave	175,271	131,657
Long service leave	350,387	322,369
	525,658	**454,026**

	2022	2021
	$	$
Non-current		
Long service leave	1,135	117
	1,135	**117**

For the Year Ended 30 June 2022

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 2022	30 June 2021
Right-of-Use Assets	**$**	**$**
Opening balance	290,435	129,470
Take up new Right-of-Use asset, 14 Wallace Ave	-	335,815
Depreciation expense	(82,819)	(97,890)
Termination of old lease, 6-8 Wallace Ave	-	(76,960)
Closing balance	**207,616**	**290,435**
Lease Liabilities		
Opening balance	306,845	135,265
Take up new Right-of-Use asset, 14 Wallace Ave	-	335,815
Interest expense	11,908	10,734
Lease liability payments	(91,350)	(93,119)
Termination of old lease, 6-8 Wallace Ave	-	(81,850)
Closing balance	**227,403**	**306,845**

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

	30 June 2022	30 June 2021
	$	**$**
Depreciation charge on right-of-use asset	82,819	97,890
Interest expense (included in finance costs)	11,908	10,734
Gain on termination of lease	-	4,890
	94,727	**113,514**

(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 at 6-8 Wallace Avenue, Toorak, Victoria. The lease was terminated effective 31 December 2020.

For the Year Ended 30 June 2022

15. Leases (continued)

	30 June 2022	30 June 2021
	$	$
Right-of-use - Leased premises	492,014	492,014
Less: Accumulated depreciation	(284,398)	(201,579)
	207,616	**290,435**

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.

For the Year Ended 30 June 2022

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 volatility of the price of the underlying shares.

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

	2022		2021	
	Average exercise price per share option	**Number of options**	Average exercise price per share option	Number of options
As at 1 July	**$0.15**	**55,000,000**	$0.13	45,000,000
Granted during the year			$0.25	10,000,000
Exercised during the year	**-**	**-**	-	-
Forfeited/lapsed during the year	**-**	**-**	-	-
As at 30 June	**$0.15**	**55,000,000**	$0.15	55,000,000
Vested and exercisable at 30 June	**$0.15**	**54,333,200**	$0.15	53,666,600
Not yet vested		**666,800**		1,333,400

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 2022**	**Share options 30 June 2021**
23-12-2019 (ANPAA)	23-12-2023	0.080	10,000,000	10,000,000
23-12-2019 (ANPAB)	23-12-2023	0.145	35,000,000	35,000,000
19-03-2021 (ANPAC)	18-05-2025	0.185	2,000,000	2,000,000
19-03-2021 (ANPAD)	18-05-2025	0.270	8,000,000	8,000,000
			55,000,000	55,000,000

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

As at 30 June 2022, there were 55,000,000 equity settled options that were granted in previous years as remuneration to employees and contractors, wherein 45,000,000 were issued in 2020 and another 10,000,000 equity settled options issued in 2021. The Group has recognised $124,417 of share-based payment expense in the statement of profit or loss (30 June 2021: $1,371,332). The total vested and exercisable options for the year ended 30 June 2022 is 54,333,200 (30 June 2021: 53,666,600)

For the Year Ended 30 June 2022

16. Share-based payments (continued)

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
19-03-2021	18-03-2025	0.185	1,733,320	0.205	120.28%	0.00%	0.110%	0.1605	100%	2021-03-19
19-03-2021	18-03-2025	0.185	133,320	0.205	120.28%	0.00%	0.110%	0.1605	0%	2022-03-19
19-03-2021	18-03-2025	0.185	133,360	0.205	120.28%	0.00%	0.110%	0.1605	0%	2023-03-19
19-03-2021	18-03-2025	0.270	6,933,280	0.205	120.28%	0.00%	0.110%	0.1514	100%	2021-03-19
19-03-2021	18-03-2025	0.270	533,280	0.205	120.28%	0.00%	0.110%	0.1514	0%	2022-03-19
19-03-2021	18-03-2025	0.270	533,440	0.205	120.28%	0.00%	0.110%	0.1514	0%	2023-03-19
			10,000,000							

For the Year Ended 30 June 2022

17. Contributed Equity

	Notes	2022 $	2021 $
Ordinary fully paid shares	17.a	98,134,995	77,033,694
		98,134,995	**77,033,694**

a Ordinary Shares

Reconciliation of share movement in the period:

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

30 June 2021	**No.**	**$**
At the beginning of the period	488,785,281	69,147,843
Transfer of option value over ordinary shares	-	-
Shares issued during the year	85,691,062	8,500,000
Transaction costs relating to share issues	-	(614,149)
	574,476,343	**77,033,694**

For the Year Ended 30 June 2022

17. Contributed Equity (continued)

a Ordinary Shares (continued)

Details of movement in shares:

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

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

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.

For the Year Ended 30 June 2022

17. Contributed Equity (continued)

a Ordinary Shares (continued)

b Warrants/Free-attaching options

2022	Details	Numbers	AUD
			$
01 Jul 2021	Balance as at 01 Jul 2021	-	-
20 Dec 2021	Issue of options (ANPAF)	80,386,886	-
17 Dec 2021	Issue of options (ANPAG)	-	-
28 Apr 2022	Issue of options (ANPAH)	-	-
		80,386,886	-

In November 2021 the Company raised $20 million from a placement of 83,333,332 shares to institutional and sophisticated investors at an issue price of $0.24 per share. For every two shares subscribed under the placement participants were entitled to one free unlisted option. As a result, 41,666,631 free attaching options with an exercise price of $0.48 were issued to participants in the placement.

In December 2021 the Company offered eligible shareholders to participate in an entitlement offer wherein each shareholder was able to apply for 1 new share for every 9.4 existing shares already held, at an issue price of $0.24 per new share. Under the entitlement offer shareholders also received one free unlisted option for every two new shares issued. A total of 5,388,466 free attaching options with an exercise price of $0.48 were issued to shareholders.

In April 2022, an additional 33,331,789 free attaching options with exercise price of $0.48 were issued to shareholders.

From the above transactions a total of 80,386,886 free attaching new options with exercise price of $0.48 were issued to shareholders. The options will expire on the earlier of 20 December 2024 and 20 business days after the Acceleration Trigger Date (or date that the ATL 1102 Phase IIb in DMD facility analysis results are announced by the Company on the ASX).

In 07 June 2022, ASX combined the free-attaching options under one option code (ANPAF) as all were issued under the same terms.

For the Year Ended 30 June 2022

18. Reserves

a Share Based Payment

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.

2022	Details	Numbers	AUD
			$
01 Jul 2021	Balance as at 01 Jul 2021	55,000,000	3,791,418
	Expense during the year	-	124,416
30 Jun 2022	Balance as at 30 Jun 2022	55,000,000	3,915,834

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

19. Commitments and Contingencies

Commitments

At 30 June 2022, the Company had commitments or contingencies of $Nil (2021: $Nil).

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.

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

For the Year Ended 30 June 2022

20. Operating Segment (continued)

	ATL1102 $	ATL1103 $	Unallocated (Note a) $	Total $
30 June 2021				
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)

a Unallocated breakdown

	2022 $	2021 $
Unallocated revenue and other income		
Interest from external parties	34,178	4,181
Other Income	-	54,890
	34,178	**59,071**
Unallocated expenses		
Compliance expenses	(617,883)	(423,884)
Business development expenses	(1,142,444)	(836,337)
Employee expenses	(993,947)	(1,429,532)
Patent expenses	(65,680)	(110,299)
Other expenses	(1,138,230)	(1,594,797)
	(3,958,184)	**(4,394,849)**

21. Cash Flow Information

Reconciliation of cash flow from operations with loss after income tax

	2022 $	2021 $
Cash flow reconciliation		
Reconciliation of net loss after tax to net cash flows from operations:		
Net loss before tax	**(5,811,810)**	**(8,060,639)**
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation expense (inc Leased Assets)	89,218	103,319
Share-based payments	124,417	1,371,332
Gain on lease termination	-	(4,890)
Working capital adjustments:		
Movement in trade and other receivables	(1,239,724)	88,061
Movement in prepayments	(535,843)	131,483
Movement in trade and other payables	28,941	220,405
Movement in other current assets	(533,015)	256,917
Movement in provisions	72,650	59,856
Net cash flows used in operating activities	**(7,805,166)**	**(5,834,156)**

For the Year Ended 30 June 2022

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.

23. Related Party Transactions

The following are identified as Key Management Personnel for the year:
- Dr Charmaine Gittleson
- Mr Mark Diamond
- Dr Gary Pace
- Dr Ben Gil Price
- Dr George Tachas
- Ms Nuket Desem
- Mr Phillip Hains
- Mr Robert W Moses (Resigned 15 December 2021)
- Dr Graham Mitchell (Resigned 15 December 2021)
- Mr William Goolsbee (Resigned 15 December 2021)

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

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

24. Financial Risk Management Objectives and Policies

a Financial Instruments

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

	2022	2021
	$	$
Cash and cash equivalents	19,233,183	6,020,403
Other current assets	533,015	-
Trade and other receivables	63,072	30,256
Trade and other payables	(541,023)	(512,082)

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 2022 (2021: Nil).

b Risk Management Policy

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

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

For the Year Ended 30 June 2022

24. Financial Risk Management Objectives and Policies (continued)

b Risk Management Policy (continued)

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

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

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

c Capital Risk Management

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

The capital structure of the Company consists of equity attributed to equity holders of the Company, comprising contributed equity, reserves and accumulated losses disclosed in Notes 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.

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.

For the Year Ended 30 June 2022

24. Financial Risk Management Objectives and Policies (continued)

d Financial Risk Management (continued)

Interest Rate Risk (continued)

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

30 June 2022	Weighted average effective interest rate %	Floating interest rate $	Fixed interest rate within year $	Fixed interest rate 1 to 5 years $	Fixed interest rate over 5 years $	Non-interest bearing $	Total $
Financial assets							
Cash and cash equivalents	0.48	816,916	18,416,267	-	-	-	19,233,183

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 and cash equivalents	0.18	120,041	5,900,362	-	-	-	6,020,403

For the Year Ended 30 June 2022

24. Financial Risk Management Objectives and Policies (continued)

d Financial Risk Management (continued)

Interest Rate Risk (continued)

There has been no change to the Company's exposure to interest rate risk or the manner in which it manages and measures its risk in the year ended 30 June 2022 and 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 2022	(Higher)/ Lower 2021
	$	$
2022: +1.43% (2021: +0.31%)	148	75
2022: -1.43% (2021: -0.31%)	(148)	(75)

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:

	2022	2021
	$	$
Trade and other payables (AUD/USD)	23,138	26,876
Trade and other payables (AUD/GBP)	1,812	382
Trade and other payables (AUD/EUR)	13,816	37

For the Year Ended 30 June 2022

24. Financial Risk Management Objectives and Policies (continued)

d Financial Risk Management (continued)

Foreign Currency Risk (continued)

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

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

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

There has been no change in the manner the Company manages and measures its risk in the year ended 30 June 2022 and 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 2022	(Higher)/ Lower 2021
	$	$
AUD/USD: 2021: +6.5% (2021: +4.9%)	1,504	1,317
AUD/USD: 2021: -6.5% (2021: -4.9%)	(1,504)	(1,317)
AUD/GBP: 2021: +4.2% (2021: +3.4%)	76	19
AUD/GBP: 2020: -4.2% (2021: -3.4%)	(76)	(19)
AUD/EUR: 2021: +3.8% (2021: +3%)	525	2
AUD/EUR: 2021: -3.8% (2021: -3%)	(525)	(2)

For the Year Ended 30 June 2022

24. Financial Risk Management Objectives and Policies (continued)

d Financial Risk Management (continued)

Credit Risk

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

Historically the Company has had minimal trade and other receivables, with the majority of its funding being provided via shareholder investment. Traditionally the Company's trade and other receivables relate to GST refunds and Research and Development Tax Concession amounts due to the Company from the Australian Tax Office. At 30 June 2022 GST accounted for $5,152 (2021: $7,432) of the trade and other receivables. At 30 June 2022, accrued interest from the Commonwealth Bank amounted to $17,596 (2021: $22).

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 2022 and 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 2022 and 2021, the Company concludes that there is no significant exposure to credit risk due to Trade Receivables comprising of statutory entitlements of GST refund.

For the Year Ended 30 June 2022

24. Financial Risk Management Objectives and Policies (continued)

d Financial Risk Management (continued)

Credit Risk (continued)

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.

30 June 2022	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 $
Trade and other receivables	63,073	-	-	-	-	63,073	63,073
Total	63,073	-	-	-	-	63,073	63,073

30 June 2021	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 $
Trade and other receivables	30,256	-	-	-	-	30,256	30,256
Total	30,256	-	-	-	-	30,256	30,256

$

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.

For the Year Ended 30 June 2022

24. Financial Risk Management Objectives and Policies (continued)

d Financial Risk Management (continued)

Liquidity Risk

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

(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.

30 June 2022	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 $
Trade and other payables	541,023	-	-	-	-	541,023	541,023
Lease liabilities	50,923	51,342	150,685	-	-	252,950	227,403
Total	591,946	51,342	150,685	-	-	793,973	768,426

30 June 2021	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 $
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

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 2022 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 2022 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 2022.

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 Director and Chief Executive Officer

Dated: This day 31 day of August 2022

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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 2022, 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 2022 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 $5.81m and a cash outflow from operations of $7.81m during the year ended 30 June 2022. 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 incentive	
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 2022 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 $1,777,904 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. ▸ Assessing the disclosure of the R&D incentive income and receivable in Note 3 and Note 10 to the financial report



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

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 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 judgment and maintain professional scepticism throughout the audit. We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, actions taken to eliminate threats or safeguards applied.

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

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Report on the Audit of the Remuneration Report

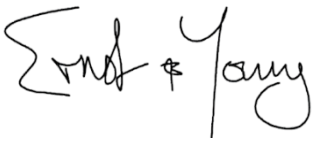
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 30 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Antisense Therapeutics Limited for the year ended 30 June 2022, 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
31 August 2022

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

Corporate Information

ABN 41 095 060 745

Director

Dr Charmaine Gittleson, Independent Non-Executive Chair	(Appointed: 22 March 2021)
Mr Mark Diamond, Managing Director	(Appointed: 31 October 2001)
Dr Gary W Pace, Independent Non-Executive Director	(Appointed: 9 November 2015)
Dr Ben Gil Price, Independent Non-Executive Director	(Appointed: 4 October 2021)
Mr Robert W Moses, Independent Non-Executive Director	(Appointed: 23 October 2001, Resigned: 15 December 2021)
Dr Graham Mitchell, Independent Non-Executive Director	(Appointed: 24 October 2001, Resigned: 15 December 2021)
Mr William Goolsbee, Independent Non-Executive Director	(Appointed: 15 October 2015, Resigned: 15 December 2021)

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

Ms Alicia Mellors , Joint Company Secretary

Registered office
14 Wallace Avenue
Toorak Victoria 3142
Australia
Phone: +61 3 9827 8999

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

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

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

Solicitors
Minter Ellison
Collins Arch
447 Collins Street,
Melbourne Victoria 3000

Bankers
Commonwealth Bank of Australia
Melbourne Victoria

Corporate Information (continued)

Auditors
Ernst and Young
8 Exhibition Street,
Melbourne Victoria 3000

Website
www.antisense.com.au

antisense
THERAPEUTICS



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