

# Antisense Therapeutics Limited

## Appendix 4D

### For the Half-year ended 31 December 2022

**Name of entity** Antisense Therapeutics Limited  
**ABN** 095 060 745  
**Half-year ended** 31 December 2022  
 (Previous corresponding period: 31 December 2021)

#### **Results for Announcement to the Market**

The results of Antisense Therapeutics Limited for the half-year ended 31 December 2022 are as follows:

Revenues	up	4,494.99%	to	171,393
Loss after tax attributable to members	up	76.80%	to	5,273,114
Net loss for the period attributable to members	up	76.80%	to	5,273,114

The above result needs to be read in conjunction with the Company's 2022 Half-year report.

#### **Explanation of Results**

The Company reported a loss for the half year ended 31 December 2022 of \$5,273,114

At 31 December 2022, the Company had cash reserves of \$16,622,901

#### **Dividends**

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

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

	<b><u>31 December 2022</u></b>	<b><u>31 December 2021</u></b>
Net tangible assets (\$)	15,881,565	23,660,457
Shares (No.)	669,043,978	668,706,753
Net tangible assets per share (cents)	2.37	3.54
	<b><u>31 December 2022</u></b>	<b><u>31 December 2021</u></b>
Basic earnings/ (loss) per share (cents)	(0.79)	(0.50)
Diluted earnings/ (loss) per share (cents)	(0.79)	(0.50)

#### **Status of Review of Accounts**

The Appendix 4D is based on accounts which have been reviewed. The Auditor's review report includes a material uncertainty related to going concern, and is included within the financial report which accompanies this Appendix 4D.



Interim financial report for the half-year ended  
31 December 2022

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## Directors' report

The Directors of Antisense Therapeutics Limited ("ANP" or "the Company") provide the following Report in relation to the Company for the half-year ended 31 December 2022.

### Directors

The following persons were Directors of the Company during the half-year and up to the date of this report. Directors were in office for this entire period unless otherwise stated.

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

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

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

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

### Results and review of operations

#### Results

The Company reported a loss for the half year ended 31 December 2022 of \$5,273,114 (31 December 2021: \$2,982,540). This loss is after fully expensing all research and development costs.

At 31 December 2022, the Company had cash reserves of \$16,622,901 (30 June 2022: \$19,233,183).

#### Review of operations

Detailed below is an update on the status of the Company's development projects and overall operations for the half-year ended 31 December 2022.

This report should be read in conjunction with the Company's 30 June 2022 Annual Report.

#### 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 DMD. 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.

## Directors' report (continued)

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

### **ATL1102 for DMD: Phase IIb study**

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

The Phase IIb study aims to enrol and randomize 45 non-ambulant boys with DMD. Following the initial six-month regimen of either placebo, 25 mg or 50 mg once weekly, participants will be invited into a further six-month open label follow-up treatment period in which all boys will be on active treatment (25 or 50mg).

The Phase IIb trial design is modelled on the Phase IIb/III study outlined in Company's Paediatric Investigation Plan (PIP) and agreed by the European Medicines Agency (EMA) and The Medicines and Healthcare products Regulatory Agency (MHRA) in the UK.

The revised trial Phase IIb design now to be conducted brings forward the definitive reporting of unblinded and statistically analysed trial data following the completion of the initial randomized blinded six-month dosing period. The Company believes that if successful, positive data from a controlled trial of ATL1102 in DMD patients could add substantial value to the program and, based on previous external feedback, garner serious partnering interest at an earlier point in the development program than previously anticipated.

During the period the Company submitted a Clinical Trial Application (CTA) in three European countries (UK, Bulgaria and Turkey) for approval to conduct the Phase IIb trial.

The applications are undergoing evaluation by relevant regulatory bodies and are at various stages of the approval process.

### **ATL1102 tox study to support clinical program in the US**

In the period the Company advised that it had initiated the process to conduct a nine-month chronic monkey toxicology study of ATL1102 at Contract Research Organisation (CRO) Pharmaron to support the advancement of the ATL1102 program in the US for DMD or any other clinical application of ATL1102. Since that time, the study protocol has been agreed and test article (ATL1102) has been received at the Pharmaron site.

Successful completion of the toxicology study is expected to be the final requisite step for the FDA to allow dosing of ATL1102 for a term longer than 6 months in the US. Successful completion of the nine-month chronic monkey toxicology study should also allow ANP to apply for expedited program status with the US Food and Drug Administration (FDA) including Fast Track or potential Breakthrough Therapy designation. US FDA has already granted ATL1102 an Orphan Drug Designation and a Rare Pediatric Disease Designation for the treatment of DMD.

The reporting of key study findings in 1H'24 is around the same time as the six-month dosing results from the ATL1102 in DMD Phase IIb clinical study are expected which could then allow the Company to share with FDA and other regulatory bodies a compelling data package encompassing the Phase IIb study clinical results along with the outcomes from the nine-month toxicology study for potential discussions with the regulators on accelerated regulatory pathways to registration.

## Directors' report (continued)

### Dosing commenced in DMD combination therapy study

During the period, dosing was completed in a muscular dystrophy (mdx) mouse model of DMD to assess the potential clinical utility of ATL1102 in combination with dystrophin restoration drugs (approved in the US for the treatment of DMD) to improve on therapeutic outcomes for patients with DMD.

Antisense inhibition of CD49d has previously demonstrated activity in an mdx mouse model as a monotherapy, reducing CD49d+ immune cells and both the CD49d target in the muscle and muscle damage. The combination study will assess the effects of antisense inhibition of CD49d in combination with a dystrophin restoration drug on markers of drug activity in the DMD mdx model including the potential of the combination to improve dystrophin expression levels beyond that achieved by the dystrophin restoration agent used alone, and thereby point to the potential utility of the combination treatment in the clinic.

In this blinded and controlled study, run under the collaborative research agreement with the Murdoch Children's Research Institute's (MCRI), the mice were dosed alone with an antisense oligonucleotide to CD49d (mouse equivalent of ATL1102) or control oligonucleotide or saline treatments, or a dystrophin restoration drug alone and additionally a combination of the antisense oligonucleotide drug to CD49d with a dystrophin restoration drug (morpholino oligonucleotide exon skipping drug of the same drug chemistry as the exon skipping treatments marketed in the US). The samples were then processed for a two part analysis: functional (effect on muscle) and cellular (RNA and protein levels) with results to be subsequently reported. (Refer to Events after balance sheet date).

### Long COVID-19 study identifies diagnostic and therapeutic targets

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 provided existing blood samples collected from previously studied Long COVID-19 patients including those with neurological symptoms to generate new data on up to 7,000 protein changes in these blood samples utilising a large-scale protein analysis known as proteomics.

In the period the Company advised that the collaboration to study the neurological aspects of Long COVID-19 (Long Neuro COVID-19) has elucidated novel blood markers as potential diagnostic and therapeutic targets in the treatment of Long COVID-19 patients. Three (3) provisional patent applications have been filed in the US to seek protection for these new inventions. A subset of the study results were included in a scientific publication pre-print. (<https://www.medrxiv.org/content/10.1101/2021.08.08.21261763v4>).

Of the 94.7 million people in the US diagnosed as infected and surviving COVID-19, approximately 82 million (87%) people are non-hospitalized, and 45% of non-hospitalized patients have developed some manifestation of Long COVID-19 syndrome which suggests more than 24 million people are afflicted by the condition to some extent. The main neurological symptom is brain fog (defined with the established memory tests conducted) and reported in 81% suggesting an impact on nearly 20 million people in the US.

Recent scientific publications report that neurological symptoms remain a major feature of Long COVID with cognitive impairment identified in approximately a quarter of subjects at 12 months post SARS-CoV2 infection. (<https://www.nature.com/articles/s41579-022-00846-2>).

The Company has continued discussions with targeted companies to explore interest in licensing/commercialising our Long Covid-19 Intellectual Property, these discussions include an ongoing dialogue with a diagnostic company on a potential development collaboration.

## Directors' report (continued)

### Limb Girdle Muscular Dystrophy R2

The Company announced positive results from a first study of antisense to CD49d in a limb girdle muscular dystrophy R2 (LGMDR2) mouse model. 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.

Having successfully demonstrated target drug activity (reducing target and immune cell RNA in muscle) using an antisense oligonucleotide to CD49d (mouse equivalent of ATL1102) in a dysferlin deficient animal model, during the quarter the Company advanced its planning for a chronic mouse study to assess key disease progression endpoints. Mice with the dysferlin deficiency and related disease characteristics have been sourced via Jain Foundation in the US. Mice will be dosed for four months with results to follow. (Refer to Events after balance sheet date)

### 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:

- Broker, Institutional and Sophisticated Investor presentation - Melbourne, 13 July 2022
- Australian Equities Day Webinar - Singapore, 28 July 2022
- US IR and Media engagements - August - September 2022
- Webinar overview of the ATL1102 for DMD Revised Clinical Plans announcement - 7 September 2022
- US Institutional virtual roadshow - various dates October, November, December 2022
- Biotech & Medical Devices Webinar - Singapore, 3 November 2022
- Annual General Meeting Presentation - Melbourne, 17 November 2022
- US IR and Media engagements - October - December 2022
- Attendance at the JP Morgan Healthcare Week - San Francisco, USA, 9 - 11 January 2023
- Attendance at the JP Morgan Healthcare Week - San Francisco, USA, 9 - 11 January 2023

# Directors' report (continued)

## Board and Management changes

During the period Antisense strengthened its leadership team with the appointment of Anthony Filippis as the Company's Chief Commercial Officer. Anthony's key focus will be on the negotiation and execution of partnering transactions, providing commercial advice and leadership on the Company's development programs and commercialisation plans, assisting in the process for accessing additional development capital and supporting the Company's investor relations activities with a strategic focus on the US to increase the Company's profile in that key market.

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

As announced on 15 November 2022, following his significant tenure as the Company's Chief Executive Officer and Managing Director (CEO), Mark Diamond advised of his retirement as CEO. Mark will continue his responsibilities as CEO until a successor is appointed. The Board has commenced executive search activity both externally and internally, for a new Chief Executive Officer that can build on Mark's legacy and spearhead the Company's next phase of growth. Mark will continue as CEO providing leadership and continuity until the appointment of a successor, to ensure a smooth transition.

## R&D tax incentives

The Company received from the Australian Taxation Office a further R&D Tax Incentive refund of \$909,040 in relation to eligible overseas expenditure under an approved Overseas Finding application in relation to the 30 June 2021 financial year making a total received of \$1,480,039 in relation to the 30 June 2021 financial year. The Company anticipates a research and development tax concession of \$318,796 in relation to expenditure incurred on eligible R&D activities for the 31 December 2022 reporting period (31 December 2021: \$256,654). The Company is expecting a research and development tax concession of \$872,056 for eligible R&D expenditure for the 30 June 2022 financial year, which has recently been lodged.

## Financial position

At 31 December 2022, the Company had cash reserves of \$16,622,901 (30 June 2022: \$19,233,183)

## Events after balance sheet date

### DMD Combination animal study

The Company reported initial positive muscle functional data from a DMD mdx animal study assessing the use of the combination of antisense to CD49d with a dystrophin exon skipping restoration drug. The use of the combination improved the specific maximum force of the extensor digitorum longus (EDL) muscle, a lower leg muscle, and the eccentric muscle force remaining following induced damage to the EDL. This functional data supports the potential use of ATL1102 in combination with dystrophin restoration drugs to improve therapeutic outcomes in patients with DMD. *Refer announcement dated 1 February 2023 for more details.*

### Limb Girdle

The Company announced the commencement of the second phase (chronic setting) of its program to study the effects of an antisense oligonucleotide to CD49d (mouse equivalent of ATL1102) in a LGMDR2 animal model of dysferlin deficiency. This follow-on chronic study will assess longer duration treatment effects on key disease progression endpoints including reduction in muscle adipose (fat) levels. *Refer announcement dated 13th February 2023 for more details.*

### Phase IIb DMD Clinical Trial

The Company announced that it had received regulatory authority approval from the Turkish Medicines and Medical Device Agency to conduct its double-blind, placebo controlled Phase IIb trial of ATL1102 in non-ambulant boys with Duchenne muscular dystrophy (DMD). This first trial approval by a regulatory authority is an important milestone for the Company in affirming the quality and acceptability of the Phase IIb trial design and critically, in providing the 'green light' for trial initiation at expected high patient enrolling sites. *Refer announcement dated 14th February for more details*

## Directors' report (continued)

### Biotechnology companies – Inherent risks

#### ***Pharmaceutical research and development (R&D)***

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

The Company's drug compounds require significant pre-clinical and human clinical development prior to commercialisation, which is uncertain, expensive and time consuming. There may be adverse side effects or inadequate therapeutic efficacy of the Company's drug candidates which would prevent further commercialisation. There may be difficulties or delays in testing 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 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.

#### ***Partnering and licensing***

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

#### ***Regulatory approvals***

Complex government health regulations, which are subject to change, add uncertainty to obtaining approval to undertake clinical development and obtain marketing 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.

## Directors' report (continued)

### Biotechnology companies – Inherent risks (continued)

#### **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 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.

#### **Rounding**

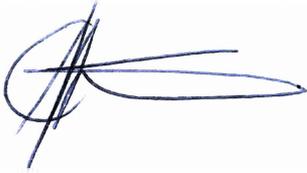
The amounts contained in this report and in the financial report have been rounded to the nearest \$1 (where rounding is applicable) and where noted (\$) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the class order applies.

## Directors' report (continued)

### Auditor independence and non-audit services

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of the Directors.



Dr Charmaine Gittleston  
Independent Non-Executive Chair



Mr Mark Diamond  
Managing Director

Melbourne

Dated: 22 February, 2023



**Building a better  
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## **Auditor's independence declaration to the directors of Antisense Therapeutics Limited**

As lead auditor for the review of the half-year financial report of Antisense Therapeutics Limited for the half-year ended 31 December 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 review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

Ernst & Young

Matt Biernat  
Partner  
22 February 2023

# Statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2022

		31 December 2022	31 December 2021
	Notes	\$	\$
Revenue	4	171,393	3,730
Other income	4	321,988	256,654
		<b>493,381</b>	<b>260,384</b>
Administrative expenses	5	(1,486,462)	(1,532,991)
Occupancy expenses		(1,595)	(1,707)
Patent expenses		(19,217)	(43,623)
Research and development expenses	5	(4,026,128)	(1,535,424)
Foreign exchange gains/(losses)		(1,951)	(708)
Depreciation expenses		(47,491)	(44,817)
Finance costs	10	(4,546)	(6,403)
Share-based payments	12	(179,105)	(77,251)
<b>Loss before tax</b>		<b>(5,273,114)</b>	<b>(2,982,540)</b>
Income tax benefit/(expense)		-	-
<b>Loss for the period</b>		<b>(5,273,114)</b>	<b>(2,982,540)</b>
Other comprehensive income/(loss) for the year, net of tax		-	-
<b>Total comprehensive loss for the year, net of tax</b>		<b>(5,273,114)</b>	<b>(2,982,540)</b>
Loss per share	9		
Basic loss per share (cents)		(\$0.79)	(\$0.50)
Diluted loss per share (cents)		(\$0.79)	(\$0.50)

The accompanying notes form part of these financial statements.

# Statement of financial position

As at 31 December 2022

		31 December 2022	30 June 2022
	Notes	\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	16,622,901	19,233,183
Trade and other receivables	7	1,258,878	1,840,976
Prepayments		60,093	612,785
Other current assets	8	-	533,015
		<u>17,941,872</u>	<u>22,219,959</u>
<b>Non-current assets</b>			
Plant and equipment		26,075	9,083
Right-of-use assets	10	165,865	207,616
		<u>191,940</u>	<u>216,699</u>
<b>Total assets</b>		<b><u>18,133,812</u></b>	<b><u>22,436,658</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		1,372,986	541,023
Employee benefit liabilities	11	525,494	525,658
Lease liabilities	10	95,488	94,091
		<u>1,993,968</u>	<u>1,160,772</u>
<b>Non-current liabilities</b>			
Employee benefit liabilities	11	2,535	1,135
Lease liabilities	10	89,879	133,312
		<u>92,414</u>	<u>134,447</u>
<b>Total liabilities</b>		<b><u>2,086,382</u></b>	<b><u>1,295,219</u></b>
<b>Net Assets</b>		<b><u>16,047,430</u></b>	<b><u>21,141,439</u></b>
<b>Equity</b>			
Contributed equity	14	98,262,795	98,134,995
Reserves	15	3,967,139	3,915,834
Accumulated losses		<u>(86,182,504)</u>	<u>(80,909,390)</u>
<b>Total equity</b>		<b><u>16,047,430</u></b>	<b><u>21,141,439</u></b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity

### For the half-year ended 31 December 2022

		Contributed equity	Option Reserves	Accumulated losses	Total
	Notes	\$	\$	\$	\$
<b>As at 1 July 2021</b>		<b>77,033,694</b>	<b>3,791,418</b>	<b>(75,097,580)</b>	<b>5,727,532</b>
Loss for the period		-	-	(2,982,540)	(2,982,540)
Total comprehensive loss		-	-	(2,982,540)	(2,982,540)
Issue of share capital	14	22,586,503	-	-	22,586,503
Share-based payments (Note 12)		-	77,251	-	77,251
Transactions costs on options issues/capital raising		(1,499,604)	-	-	(1,499,604)
<b>At 31 December 2021</b>		<b>98,120,593</b>	<b>3,868,669</b>	<b>(78,080,120)</b>	<b>23,909,142</b>
	<b>Notes</b>				
<b>As at 1 July 2022</b>		<b>98,134,995</b>	<b>3,915,834</b>	<b>(80,909,390)</b>	<b>21,141,439</b>
Loss for the period		-	-	(5,273,114)	(5,273,114)
Total comprehensive loss		-	-	(5,273,114)	(5,273,114)
Issue of share capital	14	127,800	(127,800)	-	-
Share-based payments (Note 12)	15	-	179,105	-	179,105
<b>At 31 December 2022</b>		<b>98,262,795</b>	<b>3,967,139</b>	<b>(86,182,504)</b>	<b>16,047,430</b>

The accompanying notes form part of these financial statements.

# Statement of cash flows

For the half-year ended 31 December 2022

	31 December 2022	31 December 2021
Notes	\$	\$
<b>Operating activities</b>		
Receipts from customers	-	12,800
Payments to suppliers and employers	(3,585,323)	(3,592,971)
R&D tax concession refund	909,040	-
Interest received	135,316	957
Interest paid	(4,546)	(6,403)
<b>Net cash flows used in operating activities</b>	<b><u>(2,545,513)</u></b>	<b><u>(3,585,617)</u></b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(22,733)	-
<b>Net cash flows used in investing activities</b>	<b><u>(22,733)</u></b>	<b><u>-</u></b>
<b>Financing activities</b>		
Payment of lease liabilities	(42,036)	(38,597)
Issue of share capital	-	22,586,503
Transaction costs on capital raising	-	(1,499,604)
<b>Net cash flows (used in)/from financing activities</b>	<b><u>(42,036)</u></b>	<b><u>21,048,302</u></b>
Net increase (decrease) in cash and cash equivalents	(2,610,282)	17,462,685
Cash and cash equivalents at 1 July	19,233,183	6,020,403
<b>Cash and cash equivalents at 31 December</b>	<b>6 <u><u>16,622,901</u></u></b>	<b><u><u>23,483,088</u></u></b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

## For the half-year ended 31 December 2022

### 1. Summary of significant accounting policies

#### 1.1 Basis of preparation

The condensed financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-year financial report does not include all notes of the type normally included in an Annual Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the Annual Report.

Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2022 and any public announcements made by Antisense Therapeutics Limited during the Half Year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

#### 1.2 Going concern

The Directors have prepared the half year 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 \$5,273,114 during the half year ended 31 December 2022 (December 2021: \$2,982,540) and incurred an operating cash outflow of \$2,545,513 for the half year ended 31 December 2022 (December 2021: \$3,585,617). The cash on hand balance at 31 December 2022 is \$16,622,901 (June 2022: \$19,233,183).

As at 31 December 2022, the Company had a net assets position of \$16,047,430 (June 2022: \$21,141,439), and current assets exceed current liabilities by \$15,947,904 (June 2022: current assets exceeded current liabilities by \$21,059,187).

After consideration of the available facts and current forecasts, the Company will require additional funding to complete its ongoing clinical trial activities in the normal course of business which represents a material uncertainty on the Company's ability to continue as a going concern. The Directors have concluded that the going concern basis remains appropriate given the Company's track record of raising capital and partnering its development programs and the status of ongoing discussions with various capital market 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.

### 2. Significant accounting judgements, estimates and assumptions

The preparation of the Company's interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### 3. Dividends

No dividends have been declared for the period ended 31 December 2022 (31 December 2021: Nil).

## Notes to the financial statements (continued)

### For the half-year ended 31 December 2022

#### 4 Revenue and other income

	<b>31 December 2022</b>	<b>31 December 2021</b>
	\$	\$
<b>Revenue</b>		
Interest from external parties	171,393	3,730
<b>Total revenue</b>	<b>171,393</b>	<b>3,730</b>
<b>Other income</b>		
Research and development tax concession	321,988	256,654
<b>Total other income</b>	<b>321,988</b>	<b>256,654</b>
<b>Total revenue and other income</b>	<b>493,381</b>	<b>260,384</b>

The Research and development tax concession anticipated refund for expenditure incurred for the 31 December 2022 reporting period is \$321,988 (2021: \$256,654).

#### 5 Expenses

	<b>31 December 2022</b>	<b>31 December 2021</b>
	\$	\$
<b>Administrative expenses</b>		
Business development expenses	750,137	534,894
Compliance expenses	167,167	348,406
Corporate employee expenses	540,628	629,549
Office expenses	28,530	20,142
	<b>1,486,462</b>	<b>1,532,991</b>
<b>Research and development expenses</b>		
ATL 1102	2,847,222	1,034,526
ATL 1103	35,279	63,765
Research & Development	1,143,627	437,133
	<b>4,026,128</b>	<b>1,535,424</b>

## Notes to the financial statements (continued)

### For the half-year ended 31 December 2022

#### 6. Cash and cash equivalents

	<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	422,901	816,916
Short-term deposits	16,200,000	18,416,267
	<b><u>16,622,901</u></b>	<b><u>19,233,183</u></b>

During the 31 December 2022 period, the Company allocated \$10 million to a short-term deposit with a maturity date on 6 January 2023. A further \$5 million to a short-term deposit with a maturity date on 16 January 2023 and the remaining \$1.2 million is At Call.

#### 7. Trade and other receivables

	<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	-	30,326
Research and development tax concession receivable	1,190,852	1,777,904
Interest receivable	53,673	17,596
Other receivables	14,353	15,150
	<b><u>1,258,878</u></b>	<b><u>1,840,976</u></b>

As at 31 December 2022, the Research and Development tax concession receivable comprises the anticipated return for 31 December 2022 of \$318,796 and the 30 June 2022 of \$872,056 which was recently lodged.

#### 8. Other current assets

	<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Deposits Paid - R&D	-	533,015
	<b><u>-</u></b>	<b><u>533,015</u></b>

During the 31 December 2022 period, the Company did not enter into any new manufacturing agreements.

(2022: The Company entered into a manufacturing agreement in October 2021. The amount relates to payment of US\$367,500 for manufacturing services paid in advance.)

## Notes to the financial statements (continued)

### For the half-year ended 31 December 2022

#### 9. Loss per share (EPS)

Basic EPS amounts are calculated by dividing profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the net profit attributable to ordinary equity holders (after adjusting for dilution factors) 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 impact of all the dilutive potential ordinary shares into ordinary shares.

	31 December 2022	31 December 2021
	\$	\$
Loss per share		
Basic loss per share (cents)	(\$0.79)	(\$0.50)
Diluted loss per share (cents)	(\$0.79)	(\$0.50)

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

	31 December 2022	31 December 2021
	\$	\$
<b>Loss attributable to ordinary equity holders of the Parent</b>		
Net profit/(earnings/(losses)) used in the calculation of basic and diluted earnings/(losses) per share	<u>(5,273,114)</u>	<u>(2,982,540)</u>
<b>Loss attributable to ordinary equity holders of the Parent for basic earnings</b>	<u>(5,273,114)</u>	<u>(2,982,540)</u>
<b>Loss attributable to ordinary equity holders of the Parent adjusted for the effect of dilution</b>	<u>(5,273,114)</u>	<u>(2,982,540)</u>
	31 December 2022	31 December 2021
Weighted average number of ordinary shares for basic EPS	<u>668,845,608</u>	<u>595,841,381</u>
Effect of dilution:		
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<u>668,845,608</u>	<u>595,841,381</u>

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

As at 31 December 2022, the Company had 140,886,886 unlisted options outstanding, which at the election of the option holder, are convertible into the following:

- 8,000,000 ordinary shares at \$0.08 exercise price
- 35,000,000 ordinary shares at \$0.145 exercise price
- 4,000,000 ordinary shares at \$0.185 exercise price
- 10,500,000 ordinary shares at \$0.27 exercise price
- 83,386,886 ordinary shares at \$0.48 exercise price

## Notes to the financial statements (continued)

### For the half-year ended 31 December 2022

#### 10. Leases

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

The Company's leased asset consisted of:

- As at 09 December 2022, the option to extend the lease for a further two years, past 31 December 2022 at Level 1, 14 Wallace Avenue, Toorak was executed. The extended two year lease commences 01 Jan 2023.
- Principal place of business as at 31 December, 2022, Level 1, 14 Wallace Avenue, Toorak, Victoria.

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

(ii) *Amounts recognised in the balance sheet*

The increase in gross book value of Right-of-Use assets recorded during the period ended 31 December, 2022 result mainly from the reassessment of estimation of lease term. This is due the Company executing the extension clause within it's rental lease.

	<b>31 December 2022</b>	<b>30 June 2022</b>
	<u>\$</u>	<u>\$</u>
<b>Right-of-use assets</b>		
Properties	<u>165,865</u>	<u>207,616</u>
	<b><u>165,865</u></b>	<b><u>207,616</u></b>
	<u>\$</u>	<u>\$</u>
<b>Lease liabilities</b>		
Current	95,488	94,091
Non-current	<u>89,879</u>	<u>133,312</u>
	<b><u>185,367</u></b>	<b><u>227,403</u></b>

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

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<u>\$</u>	<u>\$</u>
Depreciation expense	41,750	41,750
Interest expense (included in finance costs)	<u>4,546</u>	<u>6,403</u>
	<b><u>46,296</u></b>	<b><u>48,153</u></b>

## Notes to the financial statements (continued)

### For the half-year ended 31 December 2022

#### 11. Employee benefit liability

##### Annual leave and long service leave

	31 December 2022	30 June 2022
	\$	\$
<b>Current</b>		
Annual leave	160,093	175,271
Long service leave	365,401	350,387
	<u>525,494</u>	<u>525,658</u>
<b>Non current</b>		
Long service leave	2,535	1,135
	<u>2,535</u>	<u>1,135</u>

#### 12. Share-based payments

The assessed fair value of options at grant date was determined using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

The model inputs for options granted under ESOP during the half-year ended 31 December 2022 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 (\$)
2022-12-21	2024-12-20	0.480	3,000,000	0.089	87.63%	0.00%	3.185%	0.0100
2022-12-21	2025-03-18	0.185	2,000,000	0.089	92.68%	0.00%	3.185%	0.0313
2022-12-21	2025-03-18	0.270	2,500,000	0.089	92.68%	0.00%	3.185%	0.0243
			<u>7,500,000</u>					

#### 13. Commitments and contingencies

##### Commitments

At 31 December 2022, the Company had commitments of AUD\$1,617,807 (2021: AUD\$2,207,528) in relation to manufacture of clinical trial supplies.

## Notes to the financial statements (continued)

### For the half-year ended 31 December 2022

#### 14. Contributed equity

	<b>31 December 2022</b>	<b>30 June 2022</b>
<b>Notes</b>	<b>\$</b>	<b>\$</b>
Ordinary fully paid shares	14.1 98,262,795	98,134,995
	<b><u>98,262,795</u></b>	<b><u>98,134,995</u></b>

#### 14.1 - Ordinary fully paid shares

	<b>No.</b>	<b>\$</b>
<b>As at 1 July 2021</b>	<b>574,476,343</b>	<b>77,033,694</b>
Shares issued during the period	119,979	-
Capital Raising costs relating to share issues	-	(1,499,604)
Options exercised	94,110,431	22,586,503
<b>At 31 December 2021</b>	<b><u>668,706,753</u></b>	<b><u>98,120,593</u></b>

	<b>No.</b>	<b>\$</b>
<b>As at 1 July 2022</b>	<b>668,793,978</b>	<b>98,134,995</b>
Shares issued during the period	-	-
Options exercised	250,000	127,800
<b>At 31 December 2022</b>	<b><u>669,043,978</u></b>	<b><u>98,262,795</u></b>

#### 14.2 - Options over ordinary shares

	<b>No.</b>	<b>\$</b>
<b>At 1 July 2021</b>	<b>55,000,000</b>	<b>3,791,418</b>
Options issued during the period	47,055,097	-
Options vested from prior period	-	77,251
<b>At 31 December 2021</b>	<b><u>102,055,097</u></b>	<b><u>3,868,669</u></b>
<b>At 1 July 2022</b>	<b>135,386,886</b>	<b>3,915,834</b>
Options exercised	(2,000,000)	(127,800)
Options issued during the period	7,500,000	153,350
<b>At 31 December 2022</b>	<b><u>140,886,886</u></b>	<b><u>3,941,384</u></b>

#### 15. Reserves

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

	<b>Number of options</b>	<b>Total \$</b>
<b>Opening balance at 1 July 2022</b>	<b>135,386,886</b>	<b>3,915,834</b>
Options issued during the period	7,500,000	153,350
Options exercised	(2,000,000)	(127,800)
Options vested from prior period	-	25,755
<b>Balance at 31 December 2022</b>	<b><u>140,886,886</u></b>	<b><u>3,967,139</u></b>

## Notes to the financial statements (continued)

### For the half-year ended 31 December 2022

#### 16. Segment information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director (Chief Operating Decision Maker) in assessing performance and determining the allocation of resources.

The operating segments are identified by the Managing Director and his executive management team based on the manner in which the expenses are incurred. Discrete financial information about each of these operating segments is reported by the Managing Director to the Board on a regular basis.

The reportable segments are based on aggregated operating segments determined by similarity of expenses, where expenses in the reportable segments exceed 10% of the total expenses for either the current and/or previous reporting period.

##### *Operating segments:*

- ATL1102
- ATL1103

Year ended 31 December 2022	ATL1102	ATL1103	Total segments	Unallocated	Total segments + Unallocated
	\$	\$	\$	\$	\$
Revenue	-	-	-	171,393	171,393
Other income	321,988	-	321,988	-	321,988
	<u>321,988</u>	<u>-</u>	<u>321,988</u>	<u>171,393</u>	<u>493,381</u>
Operating Expenses	<u>(2,847,222)</u>	<u>(35,279)</u>	<u>(2,882,501)</u>	<u>(2,883,994)</u>	<u>(5,766,495)</u>
<b>Segment results</b>	<b><u>(2,525,234)</u></b>	<b><u>(35,279)</u></b>	<b><u>(2,560,513)</u></b>	<b><u>(2,712,601)</u></b>	<b><u>(5,273,114)</u></b>

Year ended 31 December 2021	ATL1102	ATL1103	Total segments	Unallocated	Total segments + Unallocated
	\$	\$	\$	\$	\$
Revenue	256,654	-	256,654	3,730	260,384
Operating Expenses	<u>(1,034,526)</u>	<u>(63,764)</u>	<u>(1,098,290)</u>	<u>(2,144,632)</u>	<u>(3,242,922)</u>
<b>Segment results</b>	<b><u>(777,872)</u></b>	<b><u>(63,764)</u></b>	<b><u>(841,636)</u></b>	<b><u>(2,140,902)</u></b>	<b><u>(2,982,538)</u></b>

#### 16.1 - Unallocated breakdown

	31 December 2022	31 December 2021
	\$	\$
<b>Revenue and other income</b>		
Interest received	171,393	3,730
R&D tax concession	321,988	-
	<u>493,381</u>	<u>3,730</u>

## Notes to the financial statements (continued)

For the half-year ended 31 December 2022

### 16. Segment information (continued)

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<u>\$</u>	<u>\$</u>
<b>Expenses</b>		
Compliance expenses	(167,167)	(348,406)
Employee expenses	(540,628)	(629,549)
Business development expenses	(750,137)	(534,894)
Patent expenses	(19,217)	(43,623)
Other expenses	(1,406,845)	(588,160)
	<u><b>(2,883,994)</b></u>	<u><b>(2,144,632)</b></u>

### 17. Events after the reporting period

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

## Directors' declaration

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

1. In the opinion of the Directors:
  - (a) the interim financial statements and notes of Antisense Therapeutics Limited for the financial half-year ended 31 December 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 31 December 2022 and of its performance for the half-year on that date; and
    - (ii) complying with AASB134 Interim Financial Reporting and the *Corporations Regulations 2001*;
  - (b) 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 half-year ended 31 December 2022.

On behalf of the board



Dr Charmaine Gittleston  
Independent Non-Executive Chair



Mr Mark Diamond  
Managing Director

Melbourne  
Dated: 22 February, 2023



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

### **Conclusion**

We have reviewed the accompanying half-year financial report of Antisense Therapeutics Limited (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **Material uncertainty related to going concern**

We draw attention to Note 1.2 in the financial report, which describes the principal events and conditions that indicate that a material uncertainty exists that may cast significant doubt about the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Directors' responsibilities for the half-year financial report**

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



### **Auditor's responsibilities for the review of the half-year financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in dark blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in dark blue ink that reads 'Matt Biernat'.

Matt Biernat  
Partner  
Melbourne  
22 February 2023