



# Lachesis Biosciences Ltd

ABN: 90 115 641 855

## Financial report

For the year ended 30 June 2023

*Pitcher Partners*

Level 13, 664 Collins Street, Docklands VIC 3008

*p:* +61 3 8610 5000

## TABLE OF CONTENTS

Directors' report .....	1 - 4
Auditor's independence declaration .....	5
Financial report	
Statement of profit or loss and other comprehensive income .....	6
Statement of financial position .....	7
Statement of changes in equity .....	8
Statement of cash flows .....	9
Notes to financial statements .....	10 - 16
Directors' declaration .....	17
Independent auditor's report .....	18 - 21

**LACHESIS BIOSCIENCES LTD**

**ABN: 90 115 641 855**

**DIRECTORS' REPORT**

The directors present their report together with the financial report of Lachesis Biosciences Ltd for the year ended 30 June 2023 and auditor's report thereon.

**Directors names**

The names of the directors in office at any time during or since the end of the year are:

Tim Morgan

Christian Nicks

Amanda Reese [Resigned 20 September 2022]

Angela Morgan [Appointed 20 September 2022]

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

**Results**

The loss of the Company for the year after providing for income tax amounted to \$226,508 (2022: \$334,674 loss).

**Review of operations**

The Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

**Significant changes in state of affairs**

There were no significant changes in the Company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

**Principal activities**

The principal activity of the Company during the year was pharmaceutical development for clinical trials.

No significant change in the nature of these activities occurred during the year.

**After balance date events**

There have been no matters or circumstances that have arisen since the end of the financial year 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.

**LACHESIS BIOSCIENCES LTD**

**ABN: 90 115 641 855**

**DIRECTORS' REPORT**

**Likely developments**

The Company expects to maintain the present status and level of operations.

**Environmental regulation**

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

**Dividends paid, recommended and declared**

No dividends were paid or declared since the start of the year. No recommendation for payment of dividends has been made.

**Information on directors and company secretary**

**Tim Morgan**

Chief Executive Officer and Managing Director, Founder

Qualifications

Bachelor of Pharmacy with Honours and PhD from Monash University.  
Registered pharmacist in Australia.

Experience

Tim is a founder of the Company and has been a Director since 2005. He was a founder and Director of Business Development at Acrux Limited. He has more than 18 years of experience in the pharmaceutical industry. He commenced his career at Glaxo in 1992 then undertook his higher degree research training at Monash University from 1994 to 1998 before founding Acrux Limited in 1999 and Lachesis Biosciences in August 2005. He has a Bachelor of Pharmacy with Honours and PhD from Monash University. He is a registered Pharmacist in Australia. His PhD research was competitively recognised both locally and internationally. To date, three prescription pharmaceutical products for which he was named as co-inventor have received marketing approval.

**LACHESIS BIOSCIENCES LTD**

**ABN: 90 115 641 855**

**DIRECTORS' REPORT**

**Information on directors and company secretary (Continued)**

<b>Christian Nicks</b>	Non-Executive Chairman
Qualifications	Bachelor of Arts in Economics. Member of the Australian Institute of Company Directors.
Experience	Christian was appointed as a Director and Chairman in July 2016. He is an investment banker with over 18 years of experience working in Australia, the United States, Japan, Hong Kong and the United Kingdom. He has advised on some of the largest transactions in the healthcare sector in Australia. He spent over 10 years at Goldman Sachs working in the healthcare, telecoms, industrials, financial sponsors and mining sectors. In 2010, he left Goldman Sachs to become Head of Investment Banking at Investec Australia and led a team of professionals to substantially grow Investec's advisory business. He left Investec in 2014 to establish Valkyrie Corporate Advisory Partners, which provides specialised investment banking and corporate advisory services. He graduated from Stanford University with a Bachelor of Arts in Economics. He is a Member of the Australian Institute of Company Directors.
<b>Amanda Reese</b>	Non-Executive Director
Qualifications	Bachelor of Science with Honours and PhD from Monash University.
Experience	Amanda was appointed as a Director in July 2016. She is a commercial strategy and licensing specialist with over 18 years of experience in the pharmaceutical industry locally and overseas. She spent over 12 years at CSL from 2002 to 2015, most recently as Associate Director for In-Licensing. At CSL she gained broad experience across business development, regulatory affairs, medical affairs, R&D commercialisation, brand management and in-licensing roles. Her extensive commercial expertise is applied to her current executive role as Director Commercialisation and Business Development at Peter MacCallum Cancer Centre whom she joined in May 2019 after 4 years at Paranta Biosciences in a similar role. She commenced her career in specialty pharmaceuticals at AstaMedica in 1997. She has experience in a growth-stage, entrepreneurial company whilst at Optiscan Pty Ltd from 1998 to 2002.
<b>Angela Morgan</b>	Non-Executive Director
Qualifications	Bachelor of Dermal Sciences.
Experience	Angela was appointed as a Director in September 2022. She is a Dermal Therapist with over 15 years of experience working in Australia. She spent over 10 years successfully running her own personal care business before its sale. She has been a company director for over 10 years relating to her own business interests. She brings to Lachesis a wealth of experience running profitable enterprise. She graduated from Victoria University with a Bachelor of Dermal Sciences.

**LACHESIS BIOSCIENCES LTD**

**ABN: 90 115 641 855**

**DIRECTORS' REPORT**

**Options**

No options over unissued shares or interests in the Company were granted during or since the end of the year and there were no options outstanding at the end of the year.

**Indemnification of officers**

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer of the Company.

**Indemnification of auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the Company.

**Auditor's independence declaration**

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

**Proceedings on behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

Signed on behalf of the board of directors.



Director: \_\_\_\_\_

Tim Morgan

Dated this 27<sup>th</sup> day of February 2024

LACHESIS BIOSCIENCES LTD  
ABN: 90 115 641 855

AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF LACHESIS BIOSCIENCES PTY LTD

In relation to the independent audit for the year ended 30 June 2023, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



Stephen Schonberg  
Partner



PITCHER PARTNERS  
Melbourne

Date: 28 February 2024

**LACHESIS BIOSCIENCES LTD**  
**ABN: 90 115 641 855**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>Revenue and other income</b>			
Other revenue	2	<u>252,497</u>	<u>2,141</u>
		<u>252,497</u>	<u>2,141</u>
<b>Less: expenses</b>			
Travel expense		(876)	-
Depreciation and amortisation expense	3	(10,424)	(5,217)
Employee benefits expense	3	(224,315)	(125,897)
Research and development expense	3	(10,453)	(39,858)
Patent and licensing expense		(174,356)	(131,281)
Other expenses		<u>(33,938)</u>	<u>(34,562)</u>
		<u>(454,362)</u>	<u>(336,815)</u>
<b>Loss before income tax expense</b>		(201,865)	(334,674)
Income tax benefit	4	<u>(24,643)</u>	-
<b>Loss from continuing operations</b>		<u>(226,508)</u>	<u>(334,674)</u>
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income</b>		<u><u>(226,508)</u></u>	<u><u>(334,674)</u></u>

The accompanying notes form part of these financial statements.



LACHESIS BIOSCIENCES LTD

ABN: 90 115 641 855

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	5	518,310	751,009
Receivables	6	1,408	281
Other assets	7	<u>702</u>	<u>702</u>
<b>Total current assets</b>		<u>520,420</u>	<u>751,992</u>
<b>Non-current assets</b>			
Plant and equipment	8	<u>-</u>	<u>10,424</u>
<b>Total non-current assets</b>		<u>-</u>	<u>10,424</u>
<b>Total assets</b>		<u>520,420</u>	<u>762,416</u>
<b>Current liabilities</b>			
Payables	9	<u>25,385</u>	<u>40,873</u>
<b>Total current liabilities</b>		<u>25,385</u>	<u>40,873</u>
<b>Total liabilities</b>		<u>25,385</u>	<u>40,873</u>
<b>Net assets</b>		<u>495,035</u>	<u>721,543</u>
<b>Equity</b>			
Share capital	10	4,291,300	4,291,300
Accumulated losses	11	<u>(3,796,265)</u>	<u>(3,569,757)</u>
<b>Total equity</b>		<u>495,035</u>	<u>721,543</u>

The accompanying notes form part of these financial statements.

LACHESIS BIOSCIENCES LTD

ABN: 90 115 641 855

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023

	Share capital \$	Accumulated losses \$	Total equity \$
<b>Balance as at 1 July 2021</b>	4,291,300	(3,235,083)	1,056,217
Loss for the year	<u>-</u>	<u>(334,674)</u>	<u>(334,674)</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>(334,674)</u>	<u>(334,674)</u>
<b>Balance as at 30 June 2022</b>	<u>4,291,300</u>	<u>(3,569,757)</u>	<u>721,543</u>
<b>Balance as at 1 July 2022</b>	4,291,300	(3,569,757)	721,543
Loss for the year	<u>-</u>	<u>(226,508)</u>	<u>(226,508)</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>(226,508)</u>	<u>(226,508)</u>
<b>Balance as at 30 June 2023</b>	<u>4,291,300</u>	<u>(3,796,265)</u>	<u>495,035</u>

The accompanying notes form part of these financial statements.

**LACHESIS BIOSCIENCES LTD**  
**ABN: 90 115 641 855**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023	2022
		\$	\$
<b>Cash flow from operating activities</b>			
Receipts from customers and grants		245,506	25,232
Payments to suppliers and employees		(484,069)	(324,807)
Interest received		<u>5,864</u>	<u>175</u>
<b>Net cash used in operating activities</b>		<u>(232,699)</u>	<u>(299,400)</u>
<b>Cash flow from investing activities</b>			
Payment plant and equipment		<u>-</u>	<u>(1,204)</u>
<b>Net cash used in investing activities</b>		<u>-</u>	<u>(1,204)</u>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		751,009	1,051,613
Net (decrease)/increase in cash held		<u>(232,699)</u>	<u>(300,604)</u>
<b>Cash at end of financial year</b>	5	<u><u>518,310</u></u>	<u><u>751,009</u></u>

The accompanying notes form part of these financial statements.

**LACHESIS BIOSCIENCES LTD**

**ABN: 90 115 641 855**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards - Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial report covers Lachesis Biosciences Ltd as an individual entity. Lachesis Biosciences Ltd is a Company limited by shares, incorporated and domiciled in Australia. Lachesis Biosciences Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors at the date of the directors' report.

The following are the significant accounting policies adopted by the Company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Basis of preparation of the financial report**

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

**(b) Going concern**

The financial report has been prepared 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 \$226,508 (2022: \$334,674 loss) during the year ended 30 June 2023.

The Company has cash balances of \$518,310 (2022: \$751,009) at year end and have a positive net asset balance of \$495,035 (2022: \$721,543). Given this, it appears the Company has sufficient funds to be able to cover cash burn for at least the next 12 months. It is also noted that the Company's current assets exceed their current liabilities by \$495,035 (2022: \$711,119).

**LACHESIS BIOSCIENCES LTD**

**ABN: 90 115 641 855**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Other revenue and other income**

*Royalties*

The entitlement to a sales-based or usage-based royalty in exchange for a licence of intellectual property is recognised as revenue as, or when, the subsequent sale or usage occurs, or the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied (or partially satisfied), whichever event is the later to occur.

*Interest*

Interest revenue is measured in accordance with the effective interest method.

*Grant Revenue*

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

All revenue is measured net of the amount of goods and services tax (GST).

**(d) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts.

**(e) Plant and equipment**

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

*Plant and equipment*

Plant and equipment is measured at cost, less accumulated depreciation and any accumulated impairment losses.

*Depreciation*

The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
Plant and equipment at cost	20-40%	Diminishing value
Office equipment at cost	12%	Diminishing value
Computer equipment at cost	20-40%	Diminishing value

**LACHESIS BIOSCIENCES LTD**

**ABN: 90 115 641 855**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Research and development expenditure**

Expenditure on research activities is recognised as an expense when incurred.

Development costs are to be capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the entity is able to use or sell the asset; the entity has sufficient resource; and intent to complete the development and its costs can be measured reliably.

As of 30 June 2023 no development costs have been capitalised.

Other development expenditure is recognised as an expense when incurred.

**(g) Goods and services tax (GST)**

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(h) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: OTHER REVENUE AND OTHER INCOME</b>		
Interest income	5,864	175
Grant revenue	-	100
Royalty income	<u>246,633</u>	<u>1,866</u>
	<u><u>252,497</u></u>	<u><u>2,141</u></u>

LACHESIS BIOSCIENCES LTD

ABN: 90 115 641 855

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<b>NOTE 3: OPERATING PROFIT</b>		
Losses before income tax has been determined after:		
Depreciation	10,424	5,217
Research and development costs	10,453	39,858
Employee benefits:		
- Other employee benefits	224,315	125,897
<b>NOTE 4: INCOME TAX</b>		
<b>(a) Income tax reconciliation</b>		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit before income tax at 25.0% (2022: 25.0%)	(50,466)	(83,669)
Add tax effect of:		
Deferred tax assets not brought to account	50,466	83,669
Withholding tax expense	<u>24,643</u>	<u>-</u>
Income tax benefit attributable to profit	<u><u>24,643</u></u>	<u><u>-</u></u>
<b>(b) Deferred tax assets not brought to account</b>		
Temporary differences	438	375
Operating tax losses	<u>738,244</u>	<u>688,590</u>
	<u><u>738,682</u></u>	<u><u>688,965</u></u>
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	100	100
Cash at bank	<u>518,210</u>	<u>750,909</u>
	<u><u>518,310</u></u>	<u><u>751,009</u></u>
<b>NOTE 6: RECEIVABLES</b>		
CURRENT		
Other receivables	<u><u>1,408</u></u>	<u><u>281</u></u>

LACHESIS BIOSCIENCES LTD

ABN: 90 115 641 855

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
<b>NOTE 7: OTHER ASSETS</b>		
CURRENT		
Prepayments	<u>702</u>	<u>702</u>
<b>NOTE 8: PLANT AND EQUIPMENT</b>		
<b>Plant and equipment</b>		
Plant and equipment at cost	130,911	130,911
Accumulated depreciation	<u>(130,911)</u>	<u>(121,735)</u>
	-	9,176
Office equipment at cost	18,210	19,330
Accumulated depreciation	<u>(18,210)</u>	<u>(18,082)</u>
	-	1,248
Computer equipment at cost	231,770	231,770
Accumulated depreciation	<u>(231,770)</u>	<u>(231,770)</u>
Total property, plant and equipment	<u>-</u>	<u>10,424</u>
<b>(a) Reconciliations</b>		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<i>Plant and equipment</i>		
Opening carrying amount	9,176	12,817
Additions	-	1,204
Depreciation expense	<u>(9,176)</u>	<u>(4,845)</u>
Closing carrying amount	<u>-</u>	<u>9,176</u>
<i>Office equipment</i>		
Opening carrying amount	1,248	1,620
Depreciation expense	<u>(1,248)</u>	<u>(372)</u>
Closing carrying amount	<u>-</u>	<u>1,248</u>
<i>Total property, plant and equipment</i>		
Carrying amount at 1 July	10,424	14,437
Additions	-	1,204
Depreciation expense	<u>(10,424)</u>	<u>(5,217)</u>
Carrying amount at 30 June	<u>-</u>	<u>10,424</u>



LACHESIS BIOSCIENCES LTD

ABN: 90 115 641 855

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
<b>NOTE 9: PAYABLES</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Sundry creditors and accruals	<u>25,385</u>	<u>40,873</u>
<b>NOTE 10: SHARE CAPITAL</b>		
Issued and paid-up capital		
11,187,876 (2022: 11,187,876) Ordinary Shares	<u>4,291,300</u>	<u>4,291,300</u>
<b>Rights of each type of share</b>		
Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.		
At shareholders 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.		
<b>NOTE 11: ACCUMULATED LOSSES</b>		
Accumulated losses at beginning of year	(3,569,757)	(3,235,083)
Net loss	<u>(226,508)</u>	<u>(334,674)</u>
	<u>(3,796,265)</u>	<u>(3,569,757)</u>
<b>NOTE 12: REMUNERATION OF AUDITORS</b>		
Remuneration of auditors for:		
<i>Pitcher Partners (Melbourne)</i>		
Audit and assurance services		
- Audit or review of the financial report	9,750	8,000
Other non-audit services		
- Corporate secretarial services	2,231	2,179
- Taxation services	<u>4,190</u>	<u>3,570</u>
	<u>16,171</u>	<u>13,749</u>

**LACHESIS BIOSCIENCES LTD**  
**ABN: 90 115 641 855**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
<b>NOTE 13: KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Total compensation paid or payable to key management personnel	<u>224,315</u>	<u>125,897</u>

**NOTE 14: RELATED PARTY TRANSACTIONS**

**(a) Transactions with key management personnel of the entity or its parent and their personally related entities**

Key management personnel related party transactions made during the financial year relate only to remuneration entitlements. Refer to note 13 for details.

**NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE**

There have been no matters or circumstances, which have arisen since 30 June 2023 that have significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2023, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2023, of the Company.

**NOTE 16: COMPANY DETAILS**

The registered office of the Company is:

Lachesis Biosciences Ltd  
Level 13  
664 Collins Street  
Docklands Vic 3008

**LACHESIS BIOSCIENCES LTD**

**ABN: 90 115 641 855**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 6 - 16, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the financial position as at 30 June 2023 and performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director: \_\_\_\_\_

Tim Morgan

Dated this                      27<sup>th</sup>      day of      February                                      2024

LACHESIS BIOSCIENCES LTD  
ABN: 90 115 641 855

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF LACHESIS BIOSCIENCES PTY LTD

**Report on the Audit of the Financial Report**

*Opinion*

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

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

*Basis for Opinion*

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

**LACHESIS BIOSCIENCES LTD**  
**ABN: 90 115 641 855**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF LACHESIS BIOSCIENCES PTY LTD**

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Company's directors' report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

*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 - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

**LACHESIS BIOSCIENCES LTD**  
**ABN: 90 115 641 855**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF LACHESIS BIOSCIENCES PTY LTD**

*Auditor's Responsibilities for the Audit of the Financial Report*

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

LACHESIS BIOSCIENCES LTD  
ABN: 90 115 641 855

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF LACHESIS BIOSCIENCES PTY LTD

*Auditor's Responsibilities for the Audit of the Financial Report (Continued)*

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.



S Schonberg

Partner



PITCHER PARTNERS

Melbourne

Date 28 February 2024