ASX Announcement

21 April 2020

Quarterly Update & Appendix 4C

- DMD Phase II trial final results due in the coming weeks
- US-based Consultant Medical Director appointed to accelerate development activities
- Positive results in DMD unlock the broader value creation potential of ATL1102

Antisense Therapeutics Limited (Antisense or Company) is pleased to provide its Appendix 4C and quarterly update for the period ended 31 March 2020.

ATL1102 for DMD Phase II trial results to include new data on disease progression

During the quarter the Company completed the monitoring phase of the ATL1102 Phase II DMD trial, locked the clinical trial database for final analysis and is now anticipating the study results to be reported in the coming weeks.

The Company has been conducting an open label six-month dosing trial of ATL1102 in nine non-ambulant patients with Duchenne Muscular Dystrophy (DMD) at the neuromuscular centre of the Royal Children's Hospital in Melbourne.

In December 2019, following completion of dosing in all participants, ANP reported positive clinical trial results that affirmed the drug's excellent safety profile and positive effects on disease progression endpoints.

Notably, the Company expects to report on new trial data relating to the drug's effects (efficacy) on additional disease progression endpoints once final data analysis is completed.

Experienced US biotech executive and DMD drug development clinician appointed

On 27 February 2020 the Company announced appointment of Dr. Gil Price as Consultant Medical Director. Dr. Price is a clinical physician trained in internal medicine with a long-standing focus in drug development, adverse drug reactions, drug utilization and regulation. Dr. Price is an experienced biotech executive and entrepreneur with a depth of expertise across clinical asset investment strategy, evaluation, financing and execution. Over the years Dr. Price has served on multiple boards of public, private and not-for-profit entities. From 2007 to 2016, Dr. Price was a non-executive director of Sarepta Therapeutics, Inc., where he helped guide Sarepta's transition to a multi-billion dollar company with the first approved drug for DMD.

Dr. Price's initial focus will be on engaging with Key Opinion Leaders in the treatment of DMD and DMD Patient Advocacy Groups to help increase the awareness of the Company's ATL1102 for DMD development program and to translate the features and benefits of the program to these audiences and to advocates internationally and in the capital markets. Upon commencement of the Company's pivotal trial of ATL1102 in Europe, Dr Price's responsibilities will also include pharmacovigilance oversight, adverse event reporting and clinical safety monitoring.

Positive results open pipeline of new development opportunities in other indications

Following the recently reported positive clinical trial results in the Phase II clinical trial of ATL1102, the Company is actively exploring clinical development opportunities where inflammation plays a key role in disease progression.

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). Further, the Company has an Investigational New Drug application (IND) with the US Food and Drug Administration (FDA) clearing ATL1102 for use in a Phase IIb clinical trial in MS patients at the same 25mg per week dose that has shown activity in the DMD trial. MS drug sales in 2018 were US$23 Billion and forecast to grow to US$39 Billion by 2026.

In addition to MS, the Company 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. In 2019 ANP filed patent applications to support clinical development and commercialisation of ATL1102 in muscular dystrophies in addition to DMD and will 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.

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 quarter the Company presented and participated at the following events:

- 3rd Annual SACHS Neuroscience Innovation Forum, San Francisco, USA, 12 January 2020.
- Fund manager & Broker presentations, Sydney & Melbourne, Australia, 22-23 January 2020.
- Proactive Investors CEO Investor Sessions, Sydney & Melbourne, Australia, 3-4 February 2020.
- Duchenne ACTT Now Conference 2020, Melbourne, Australia, 8-10 March 2020.

Financial highlights

In January 2020 the Company received $1.75m following settlement of underwriting component of $5.5 million ANPOB listed options exercise (following $3.75m received from options conversions during the quarter ended 31 December 2019)

As at 31 March 2020 the Company reported cash of $5.4m.

This announcement has been authorised for release by the Board.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Antisense Therapeutics Limited	
ABN	**Quarter ended ("current quarter")**
41 095 060 745	31 March 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(610)	(1,418)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(74)	(176)
	(d) leased assets	-	-
	(e) staff costs	(276)	(875)
	(f) administration and corporate costs	(262)	(830)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	14	28
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	(5)	(5)
1.8	Other (R&D Tax Concession Refund)	-	587
1.9	**Net cash from / (used in) operating activities**	**(1,213)**	**(2,689)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,746	5,495
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(241)	(289)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,505**	**5,206**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,129	2,904
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,213)	(2,689)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,505	5,206
4.5	Effect of movement in exchange rates on cash held	-	-

4.6	**Cash and cash equivalents at end of period**	**5,421**	**5,421**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,110	1,729
5.2	Call deposits	4,311	1,400
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**5,421**	**5,129**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	179
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,213)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	5,421
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	5,421
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	4

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 21 April 2020

Authorised by: By the Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.