ASX Announcement

30 January 2020

Quarterly Update & Appendix 4C

- DMD Phase II trial confirms drug's excellent safety profile and positive drug activity
- Positive results reaffirm plans to advance ATL1102 for DMD to a potentially pivotal trial
- $5.5 million received via the options exercise.

Antisense Therapeutics Limited (Antisense or Company) is pleased to provide its Appendix 4C and quarterly update for the period ended 31 December 2019.

ATL1102 for DMD Phase II trial – positive safety profile & encouraging signs of efficacy

During the quarter Antisense Therapeutics has completed dosing in its Phase II study in nine non-ambulant boys with Duchene Muscular Dystrophy (DMD). Data from all nine participants, having completed their 24 weeks of dosing in the Phase II clinical trial, has affirmed the drug's excellent safety profile and positive drug effects on disease progression endpoints at the low dose tested and in turn the Company's plans to advance ATL1102 into a potentially pivotal Phase IIb clinical trial.

ATL1102 is being developed as a novel treatment for the inflammation that exacerbates muscle fibre damage in DMD patients with corticosteroids currently their only treatment option. Corticosteroids have a range of serious side effects when used for a prolonged period as required in DMD.

Seven of the nine boys showed either increases (improvement) or no decline (stabilisation) in their strength as measured by PUL2.0. MyoGrip and MyoPinch assessments using the Myoset system showed a distinct improvement in muscle strength compared to the loss of muscle strength reported in a similar non ambulant patient population on corticosteroids (Ricotti et al 2016).

Commenting on the trial results and the efficacy being observed in this Phase II trial of ATL1102, DMD clinical expert Professor Thomas Voit MD, Director, NIHR GOSH Biomedical Research Centre, UK said: "Disease stabilisation or indeed improvement in functional scores in non-ambulant DMD boys is almost unheard of and a very encouraging result. This is even more meaningful as these results have been obtained using different independent measures and over a relatively short trial time of 24 weeks. These results also advise on endpoint choice for a fully powered placebo-controlled registration-enabling study".

Proposed ATL1102 Phase IIb/III DMD trial plans

During the quarter the Company held scientific advice meetings with three European regulatory authorities. The meetings focused on the Phase IIb trial design, dose escalation plans, applicability of the study end-points and the study duration. There was a general acceptance by the agencies on the trial efficacy endpoints (PUL2.0, Myoset), safety monitoring plan, dosing duration and the use of higher doses.

Clarification was provided by the agencies that the above could be a path forward to an approval on positive Phase IIb results.

Next step is to follow up development plan with the European Medicines Agency (EMA) and subsequent to the finalisation of the results from the current Phase II trial, engage with the Food and Drug Administration (FDA) on development plans for the US.

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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 to investors, brokers, pharmaceutical companies and participated at biotechnology and investor conferences, including:

- TechKnow Invest Roadshow, Sydney & Melbourne, Australia, 22 & 24 October 2019.
- 2nd Neuromuscular Drug Development Summit in Boston, MA, USA on 24 October 2019.
- 2019 Action Duchenne International Conference, Hinkley, UK on 15 November 2019.

Financial highlights

During the quarter the Company received $5.5 million via exercise of ANPOB listed options and underwriting of outstanding options as at expiry date of 19 December 2019 ($3.75m was received during the quarter ended 31 December 2019 and $1.75m in January 2020 following settlement of underwriting shortfall which will appear in the March quarterly report).

In addition, in December 2019 the Company received R&D Tax incentive rebate of $559,000.

As at 31 December 2019 the Company reported cash of $5.12m

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Release authorised by the Board.

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Appendix 4C

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

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Name of entity

Antisense Therapeutics Limited

ABN	**Quarter ended ("current quarter")**
41 095 060 745	31 December 2019

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(464)	(808)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(77)	(102)
	(d) leased assets	-	-
	(e) staff costs	(321)	(599)
	(f) administration and corporate costs	(270)	(568)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	14
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	559	587
1.8	Other		
1.9	**Net cash from / (used in) operating activities**	**(568)**	**(1,476)**

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	3,749	3,749
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(48)	(48)
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**	**3,701**	**3,701**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,996	2,904
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(568)	(1,476)
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)	3,701	3,701
4.5	Effect of movement in exchange rates on cash held	-	-

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4.6	**Cash and cash equivalents at end of period**	**5,129**	**5,129**

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	3,729	96
5.2	Call deposits	1,400	1,900
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)****	**5,129**	**1,996**

****Note: The Company finalised the exercise of Listed Options via an Underwriting on 3 January 2020. These funds will appear in the March quarterly report**

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	211
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.

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(568)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	5,129
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	5,129
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	9

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?

Answer:

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?

Answer:

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

Answer:

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: 30 January 2020

Authorised by: By 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

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[*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.

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