ASX Announcement

28 January 2021

Quarterly Update & Appendix 4C

- Statistically significant improvement in PUL2.0 with ATL1102 treatment data presented at World Muscle Society Congress
- Orphan Drug designation granted by US FDA & EMA for ATL1102 in DMD
- Dual listing on Frankfurt Stock Exchange
- $8.5 million raised via Placement & SPP
- $0.65 million R&D Tax incentive payment received
- Positive research analyst report initiations

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

Post study analysis shows statistically significant improvement in PUL2.0 with ATL1102 treatment

On 2 October 2020 the Company presented new ATL1102 data at the 25th International Annual Congress of the World Muscle Society.

ATL1102 treated patients showed a statistically significant mean improvement in Total PUL2.0 scores (assessment of muscle function) at 24 weeks compared to a matched natural history control group of non-ambulant boys on standard of care (corticosteroids) with a greater frequency of patients treated with ATL1102 showed improvement or maintenance of their Total PUL2.0 score relative to the natural history control group over 24 weeks.

Professor Eugenio Mercuri, Professor of Pediatric Neurology at the Catholic University, Rome, Italy said of the data "ATL1102 treatment demonstrated a statistically significant improvement in the mean Total PUL2.0 score in non-ambulant boys with DMD when compared to our natural history Rome Cohort used as external controls. The level of improvement achieved is very positive and clinically relevant. As Total PUL2.0 is the key efficacy endpoint for seeking drug approval in non-ambulant patients with DMD, the comparative data further indicates ATL1102's promising potential to provide clinically meaningful benefits in the future treatment of non-ambulant DMD patients who have very limited treatment options."

For further details, see ASX Announcement 2 October 2020.

EU & US Orphan Drug Designation granted

During the quarter the Company was pleased to announce that both US FDA and EU EMA had granted Orphan Drug Designation (ODD) status to ATL1102 in DMD.

In Europe, orphan drug designation status brings development and marketing incentives, such as reduced fees, scientific advice and market exclusivity for 10 years upon regulatory approval.

In US, the FDA provides incentives to help accelerate the development of products for rare diseases, which may include tax credits towards the cost of clinical trials, waiver of US prescription drug filing fees and orphan product exclusivity for seven years upon marketing authorisation.

ODD in the US follows the FDA designation of ATL1102 as a drug for a rare pediatric disease, which may qualify the Company to obtain a priority review voucher (PRV) that can be redeemed to receive an expedited priority marketing authorization review or sold to another party. In recent years, a secondary market for the vouchers has emerged allowing companies to use the sale of PRVs to recoup expenses undertaken for drug research and development and present them with additional source of non-dilutive capital to support further advancement of clinical development. Since 2009 when the first PRV was awarded the values for these vouchers have ranged between US$68 million and US$350 million.

Dual Listing on Frankfurt Stock Exchange

The Company dual-listed on Frankfurt Stock Exchange (FSE) on 23 November 2020 under code "AWY". Dual listing on the FSE supports the Company's strategy to broaden overseas investor base in line with the planned clinical development of ATL1102 in Europe and presents an opportunity for ANP to engage with biotech investors and facilitate investment from institutional and retail investors across the EU.

The initial focus is to engage with investors in the German speaking DACH region (Germany, Austria and Switzerland) with population of almost 100 million people as well as the rest of Europe.

2021 Objectives

- To continue to present to EU and UK institutional investors and family offices
- Increase awareness of ANP with EU and UK potential partners and review collaboration opportunities
- Continue to increase EU shareholder base of the Company

Capital Raising

During the quarter the Company has raised a total of $8.5 million via a placement to institutional, professional and sophisticated investors and a share purchase plan to shareholders, both closing over-subscribed. Funds raised significantly strengthened the Company's balance sheet to continue EU and US regulatory interactions, fund the manufacture of the drug compound and clinical supplies and advance new indication initiatives for ATL1102.

Receipt of R&D Tax Incentive payment

During the quarter ANP received R&D Tax Incentive refund payment of $650,603 for the 30 June 2020 financial year and in relation to expenditure incurred on eligible R&D activities, including the successful ATL1102 Phase II clinical trial in Duchene muscular dystrophy.

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:

- 25th International Annual Congress of the World Muscle Society, Poster, UK, 1 October 2020
- Reach Markets Webcast - The Insider, Australia, 18 November 2020
- Spark Plus "Australian Equities Day" Webinar, Singapore, 2 December 2020

- 3rd Annual Neuromuscular Drug Development Summit, Digital Event, US, 4 December 2020
- Phar-East Pharma & Biotech Festival, Digital Event, Singapore, 8 December 2020
- 10th Anniversary Virtual Conference, Little Steps Association for Duchenne-Becker Patients, Israel, 9 December 2020

Research Report Initiations

Several leading Australian healthcare research analysts initiated positive research coverage of the Company during the quarter (reports are available on ANP website: https://www.antisense.com.au/broker-other-reports/

"And a Door Opens Wide" - Marc Sinatra, Corporate Connect

"Promising treatment for a devastating disease" - Dennis Hulme, Taylor Collison

"Initiating at O/W: Sensing a Large Opportunity" - Shane Storey/Melissa Benson, Wilsons Equity Research

Cash Flow

As at 31 December 2020 the Company reported cash of $10.043 million following an oversubscribed capital raising of $8.5 million and a R&D Tax Incentive payment of $651k.

The Company continues to efficiently manage expenditure planned for continuation of the regulatory interactions with EMA and US FDA, manufacturing of ATL1102 drug compound as well as advancement of potential new indications for ATL1102.

During the quarter the Company made payments to related parties of the entity and their associates as disclosed in Item 6 of the Appendix 4C amounting to $189k. The payments related to salaries, directors' fees, and consulting fees on normal commercial terms.

This announcement has been authorised for release by the Board.

For more information please contact:

Antisense Therapeutics
Mark Diamond
Managing Director
+61 (0)3 9827 8999
www.antisense.com.au

Investment Enquiries
Gennadi Koutchin
XEC Partners
gkoutchin@xecpartners.com.au
1300 932 037

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 December 2020

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	(921)	(1,247)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(77)	(120)
	(d) leased assets	-	-
	(e) staff costs	(274)	(567)
	(f) administration and corporate costs	(355)	(662)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	650	688
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(976)**	**(1,906)**

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

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
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)	8,500	8,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(611)	(611)
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**	**7,889**	**7,889**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,130	4,059
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(976)	(1,906)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,889	7,889
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**10,043**	**10,043**

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	7,943	130
5.2	Call deposits	2,100	3000
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)**	**10,043**	**3,130**

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	189
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)	976
8.2	Cash and cash equivalents at quarter end (item 4.6)	10,043
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	10,043
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	10

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

8.6.1 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:

8.6.2 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:

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

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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: 28 January 2021

Authorised by: By the Board
(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.