

ASX Announcement

September 2023 Quarterly Activity Report and Appendix 4C

- Commenced internal strategic review to optimise clinical and preclinical programs
- Advanced RC220 by completing manufacture of bisantrene API at Laurus Labs, contracting Ardena to manufacture cGMP drug product, and initiating GLP toxicology and safety pharmacological studies
- Bisantrene found to have broad-acting anticancer activity in diverse range of human tumour cell lines
- Dr Peter Smith appointed Executive Director and former Chief Scientific Officer and Executive Director, Dr Daniel Tillett engaged as a consultant

23 October 2023 – Race Oncology Limited (“Race”) is pleased to release its Q1 FY2024 quarterly report for the period ended 30 September 2023. Race’s cash and cash equivalents totalled \$17.83 million as of 30 September 2023.

The last quarter has been highly active, with several key management changes and significant progress in the development of the RC220 formulation in readiness for use in human clinical trials in CY2024. Dr Pete Smith was appointed as Executive Director, and Dr Daniel Tillett was engaged as a consultant, post the resignation of Mr Damian Clarke-Bruce and the retirement of Dr John Cullity from the Board in August. An internal review process was begun to optimise Race’s clinical and preclinical programs with current financial resources. The results of this review are expected to be shared with investors in the near term.

Management commentary

Executive Director, Dr Pete Smith commented: *“There has been significant progress in the development of bisantrene over the last quarter, from the first production of active pharmaceutical ingredient at Laurus Labs, good manufacturing practice (GMP) manufacturing currently underway at Ardena, and preparing for good laboratory practice (GLP) toxicology and safety pharmacological studies, which are soon to commence. This body of work will allow our proprietary peripheral formulation of bisantrene, RC220, to be assessed in clinical trials, which is a key inflection point for Race. The body of work that had gone into this progress is a testament to the dedicated and driven team that is executing on our strategy to bring bisantrene to patients.”*

Chair, Ms Mary Harney commented: *“Seeing our proprietary formulation continue to pass preclinical stage gates while continuing to show anticancer efficacy across a broad range of cancers in the preclinical setting gives us great confidence that RC220 will continue in the clinic as planned from mid next year. We are also pleased to be on track with the key manufacturing milestones in development of RC220 that will be used in our studies.”*

Key events of the quarter

- On 10 July 2023, Race executed an exclusive licence agreement with City of Hope to access intellectual property identifying bisantrene as a potent inhibitor of the human fat mass and obesity associated protein (FTO). The Agreement ensures Race’s exclusive access to that

intellectual property (IP), which the Company believes will construct pathways for collaborative research, partnership, and commercialisation.

- On 12 July 2023, Race announced that it had entered into an agreement with the leading global contract development and manufacturing organisation (CDMO), Ardena Holding NV, to provide additional current Good Manufacturing Practice (cGMP) manufacturing capability for Race's proprietary intravenous formulation of bisantrene, RC220.
- On 13 July 2023, Race received a \$1.66 million Research & Development Tax Incentive Refund from the Australian Taxation Office in relation to a successful overseas finding in respect of qualifying R&D activities for the financial year ended 30 June 2022. This refund is in addition to a \$1.48 million Research & Development Tax Incentive Refund received for FY2022 Australian activities in March (ASX announcement: 27 March 2023).
- On 8 August 2023, Race released a strategic update seeking to maximise the potential of bisantrene, leveraging its unique mechanisms of anticancer and cardioprotection to drive commercial partnering and collaboration potential.
- On 22 August 2023, Race announced management changes with Mr Damian Clarke-Bruce resigning as CEO & Managing Director and Dr John Cullity retiring from the Race Board. Dr Pete Smith was appointed an Executive Director, and Dr Daniel Tillett was engaged as a consultant. The Race Board also announced a strategic review to ensure delivery of research and clinical milestones within current financial resources, to be shared with investors in the current quarter.
- On 21 September 2023, Race announced preclinical results which showed bisantrene was highly active as a single agent against 113 of 143 human tumour cell lines, representing a broad cross-section of the most common haematological (blood / liquid) and solid organ cancers. In combination with clinically relevant concentrations of doxorubicin, bisantrene was also found to significantly enhance the cancer cell killing in most cancer cells.
- On 27 September 2023, Race announced the successful production of its first batch of GMP quality active pharmaceutical ingredient (API) sufficient for RC220 cGMP drug product manufacturing and near-to mid-term clinical trials.

Other news from the quarter

- Race is pleased to advise that manufacturing of RC220 at Ardena is underway with expected cGMP material to be ready well before the completion of the GLP toxicology and safety pharmacology studies.
- Race and Biosynergy Partners LLC mutually agreed to terminate the 2018 service agreement (ASX announcement: 1 November 2018), effective from 14 September 2023.

Post quarter news

- On 5 October 2023, Race announced that it had contracted Attentive Science and Agilix Biolabs to complete GLP toxicology and safety pharmacology studies required to support human clinical trials with RC220. Final reporting is expected end of Q2 CY2024, representing a significant milestone for the commercial development of RC220, and enabling RC220 to be used in clinical trials.
- On 17 October 2023, Race announced the successful completion of preclinical animal and laboratory studies showing that RC220 is performing as designed and prevents drug precipitation and phlebitis when infused into peripheral veins.
- The Race Annual General Meeting will be held at 12.00 pm AEDT on Monday, 27 November 2023 at the Dixon Room, State Library NSW, 1 Shakespeare Place, Sydney, New South Wales. Those shareholders unable to attend in person will be given the opportunity to join online.

Summary of cash flow and quarterly activity

As of 30 September 2023, Race held cash and equivalents of \$17.83 million, compared with \$21.52 million on 30 June 2023. The net change in cash reserves of \$3.66 million is principally from continued operational costs, preclinical research expenditure, and product manufacture for clinical trials.

Listing rule 4.7C.3

Related Party payments made during the quarter comprised payments of salaries and superannuation to Executive Directors of \$104k, as well as Board fees and superannuation to Non-Executive Directors of \$84k. An outstanding bonus including superannuation of \$65k was paid to Mr Phil Lynch, related to his tenure while CEO.

Following the resignation of former CEO and Managing Director, Mr Damian Clarke-Bruce through the reporting period, outstanding entitlements were paid in September 2023 of \$281k.

Shareholders by holding range

Race is pleased to report that shareholders totalled 8,486 as of 30 September 2023, showing continued shareholder interest in Race's progress.

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	3,527	1,559,380	0.96%
above 1,000 up to and including 5,000	2,478	6,129,123	3.76%
above 5,000 up to and including 10,000	796	5,939,163	3.64%
above 10,000 up to and including 100,000	1,441	45,316,545	27.79%
above 100,000	244	104,124,569	63.85%
Totals	8,486	163,068,780	100.00%

Top 20 Holders as of 30 September 2023

Race is pleased to share the current Top 20 shareholders as of 30 September 2023. Shareholders can expect regular updates in future quarterly reports.

Position	Holder Name	Holding	% IC
1	DR DANIEL TILLET ¹	14,014,370	8.72%
2	MR PHILLIP RICHARD PERRY	6,032,694	3.75%
3	MR MARK PHILLIP JUAN	5,662,812	3.52%
4	BIOSYNERGY PARTNERS PTY LTD	5,102,194	3.17%
5	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	4,450,468	2.77%
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,815,339	1.75%
7	CRAGANORIG HOLDINGS LLC	2,000,000	1.24%
8	MARINELLA MESSINA	1,757,377	1.09%
9	MR PHILLIP RICHARD PERRY & MRS TETYANA PERRY <DONESKA SUPER FUND A/C>	1,590,000	0.99%
10	MR KIMBERLEY ROSS GARTRELL & MRS JENNIFER MARGARET GARTRELL <K&J GARTRELL SUPER FUND A/C>	1,500,000	0.93%
11	MR ANTHONY JAMES ROBINSON <THE PEEKO FAMILY NO 86 A/C>	1,462,250	0.91%
12	MR SANDOR HELBY	1,415,000	0.88%
13	KUDOSS INVESTMENTS PTY LTD <AITKEN GLOBAL FAMILY A/C>	1,250,000	0.78%
14	MR KENNETH BARRY RIDLEY & MRS CATHERINE MARY RIDLEY <RIDLEY RETIREMENT FUND A/C>	1,080,000	0.67%
15	MR ALAN GILES SAURAN	1,031,256	0.64%
16	BIOSYNERGY PARTNERS PTY LTD	1,000,000	0.62%
17	CITICORP NOMINEES PTY LIMITED	835,885	0.52%
18	MR VAN QUY DO	825,788	0.51%
19	MR BRIAN JAMES WALKER	820,000	0.51%
20	SURPION PTY LTD <M W SUHR & CO A/C>	775,000	0.48%
	Total	55,420,433	34.47%
	Total issued capital - selected security class(es) <small>1. Excludes 2,307,925 shares voluntarily escrowed for 12 months (ASX Announcement: 14 Nov 2022).</small>	160,760,855	100.00%

About Race Oncology (ASX: RAC)

Race Oncology (ASX: RAC) is an ASX-listed clinical stage, global biotechnology company with a dedicated mission to be at the heart of cancer care.

Race's lead asset, bisantrene, is a small molecule anthracene chemotherapeutic. Bisantrene has a unique and rich clinical history with demonstrated therapeutic benefits in both adult and paediatric patients, a well characterised safety profile, and compelling clinical data demonstrating an anticancer effect and a lack of cardiotoxicity.

Race is developing bisantrene to address the high unmet need of patients across multiple oncology indications, with an initial focus on metastatic breast cancer (lead indication) and acute myeloid leukaemia (AML) exploring anticancer plus cardioprotection in synergy with known standards of care.

As part of its clinical program, Race is also investigating the impact bisantrene and new molecules have on the m⁶A RNA pathway, following independent research describing bisantrene as the most potent inhibitor of FTO (Fat mass and obesity-associated protein). Dysregulation of RNA (over expression of FTO) has been shown to be a driver of a diverse range of cancers.

Race Oncology is in collaboration with City of Hope, MD Anderson, Sheba City of Health and UNC School of Medicine, and is actively exploring partnerships, licence agreements or a commercial merger and acquisition to accelerate access to bisantrene for patients with cancer across the world.

Learn more at www.raceoncology.com

If you have any questions on this announcement or any past Race Oncology announcements, please go to the Interactive Announcements page in our Investor Hub <https://announcements.raceoncology.com>

Race encourages all investors to go paperless by registering their details with the Company's share registry, Automic Registry Services, at www.automicgroup.com.au.

Release authorised by:

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RACE ONCOLOGY LIMITED (RAC)

Appendix 4C**Quarterly cash flow report for entities
subject to Listing Rule 4.7B****Name of entity**

RACE ONCOLOGY LIMITED (RAC)

ABN

61 149 318 749

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	(a) Current quarter \$A'000	(b) Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(c) research and development	(3,074)	(3,074)
(d) product manufacturing and operating costs	(1,312)	(1,312)
(e) advertising and marketing	(125)	(125)
(f) leased assets	-	-
(g) staff costs	(582)	(582)
(h) administration and corporate costs	(428)	(428)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	207	207
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,658	1,658
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,656)	(3,656)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-

Consolidated statement of cash flows	(a) Current quarter \$A'000	(b) Year to date (12 months) \$A'000
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	-	-
(j) investments	-	-
(k) intellectual property	-	-
(l) 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	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
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 (share buy-back)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	21,520	21,520
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,656)	(3,656)

Consolidated statement of cash flows		(a) Current quarter \$A'000	(b) Year to date (12 months) \$A'000
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)	-	-
4.5	Effect of movement in exchange rates on cash held	(31)	(31)
4.6	Cash and cash equivalents at end of period	17,833	17,833

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	(m) Current quarter \$A'000	(n) Previous quarter \$A'000
5.1	Bank balances	2,033	1,920
5.2	Call deposits	15,800	19,600
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)	17,833	21,520

6.	Payments to related parties of the entity and their associates	(o) Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	534
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p> <p>Payment to related parties as disclosed in item 6.1 as follows:</p> <ul style="list-style-type: none"> - \$83,933 payments for non-executive director fees for the period. - \$450,181 payments to executive directors for the period, including superannuation paid during the quarter. 		

7. Financing facilities <i>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.</i>	(p) Total facility amount at quarter end \$A'000	(q) 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.	-	
N/A		

8. Estimated cash available for future operating activities	(r) \$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,656)
8.2 Cash and cash equivalents at quarter end (item 4.6)	17,833
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	17,833
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.88
<i>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.</i>	
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: N/A	
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: N/A	
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: N/A	
<i>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.</i>	

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: 23 October 2023

Authorised by: The Board of Race Oncology Limited
(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.