

ASX Announcement

December 2023 Quarterly Activity Report & Appendix 4C

- Dr Daniel Tillett appointed CEO and a funded clinical program focused on cardioprotection, m⁶A RNA & AML announced
- Interim Phase 2 trial results were presented at the prestigious American Society of Hematology 65th Annual Meeting describing the use of bisantrene in combination with fludarabine and clofarabine that induced a clinical response in 6 of 15 (40%) evaluable patients with advanced relapsed or refractory Acute Myeloid Leukaemia
- Race issued a 1 for 20 bonus and piggyback option series to existing shareholders to raise up to \$36.6 million to fund future clinical activities in cardioprotection, m⁶A RNA & AML.

30 January 2024 – Race Oncology Limited (“Race”) is pleased to release its Q2 FY2024 quarterly report for the period ended 31 December 2023. Race’s cash and cash equivalents totalled \$13.72 million as of 31 December 2023.

In the last quarter, Race announced the appointment of Dr Daniel Tillett as CEO, the release of a fully funded clinical program focused on cardioprotection, m⁶A RNA and AML, and a bonus option issue with piggyback options to existing shareholder to raise up to \$36.6 million to support the announced clinical program (ASX Announcements: 22 November 2023).

Interim clinical results from an ongoing investigator-initiated Phase 2 trial of bisantrene in combination with fludarabine and clofarabine in relapsed or refractory Acute Myeloid Leukaemia (R/R AML) patients was shared in the quarter at the prestigious American Society of Hematology (ASH) Annual Conference, which was held from 9-12 December 2023 (ASX Announcements: 6 November 2023 & 13 December 2023).

This trial is running at the Sheba Medical Centre, Israel, under the supervision of key opinion leader Professor Arnon Nagler. Six of the 15 evaluable patients (40%) responded to Bis/Clo/Flo treatment (five complete responses, one partial response), with three of the clinical responders having active extramedullary disease (EMD). Five of the six treatment-responsive patients were able to be bridged to a potentially curative stem cell transplant (SCT) within one to three months of treatment.

Management commentary

Chief Executive Officer, Dr Daniel Tillett commented: *“The quarter has been an eventful one for both Race and myself. I am excited to return to Race as the CEO and be involved in the development of the updated and funded corporate strategy which we released in November. Our new bisantrene formulation, RC220, continues to advance through the GMP manufacturing and GLP testing process and I am looking forward to Race returning to the clinic in the second half of 2024. The opportunity for bisantrene continues to grow with the recent Sheba data again demonstrating that the drug can provide excellent patient outcomes in the modern clinical environment. I wish to thank all the shareholders for their kind words and support.”*

Key events of the quarter

- 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 that it had successfully completed a series of preclinical animal and laboratory studies showing that Race's novel bisantrene formulation, RC220 (ASX Announcement: 28 September 2022), prevents drug precipitation (crystallisation) and phlebitis (vein inflammation or damage) when infused into peripheral veins. These studies, performed at Pharmaron (CA, USA) and by Race scientists based at the University of Wollongong (Australia), used *in vivo* (animal) and *in vitro* (laboratory) models accepted by regulators for assessing intravenous infusion (IV) safety.
- On 25 October 2023, Race released its Annual Report for financial year 2022/2023.
- On 6 November 2023, Race shared details of interim clinical results from an ongoing investigator-initiated Phase 2 trial of bisantrene in combination with fludarabine and clofarabine in relapsed or refractory Acute Myeloid Leukaemia (R/R AML) patients at the prestigious American Society of Hematology (ASH) 65th Annual Conference held from 9-12 December 2023. In this trial, six of the 15 evaluable patients (40%) responded to Bis/Clo/Flo treatment (five complete responses, one partial response), with three of the clinical responders having active extramedullary disease (EMD). Five of the six treatment-responsive patients were able to be bridged to a stem cell transplant (SCT) within one to three months of treatment.
- On 9 November 2023, Race announced that a Certificate of Testing (CoT) has been issued by Societal CDMO (San Diego, USA) for the first engineering batch of RC220, confirming that the drug product meets manufacturing quality specifications. The CoT clears RC220 for use in Good Laboratory Practice (GLP) toxicology and safety pharmacology studies (ASX Announcement: 5 October 2023) and significantly de-risks the RC220 current Good Manufacturing Practice (cGMP) campaign underway at Ardena (ASX Announcement: 12 July 2023).
- On 25 November 2023, Race announced Dr Daniel Tillett had been appointed full-time Chief Executive Officer effective immediately. Dr Tillett requested that 50% of his salary package to be provided as options with an exercise price of \$4.25, above the Race all-time high share price.
- On 25 November 2023, Race announced an updated strategic plan, designed to move its lead asset, the reformulated bisantrene, RC220, through clinical studies that aim to build significant shareholder value within the constraints of current capital market conditions. This updated strategy focused on clinical development within Australia and is designed to establish anthracycline cardioprotection and the clinical effects on the m⁶A RNA pathway of RC220 in a range of solid tumours.
- On 25 November 2023, Race announced a pro-rata non-renounceable entitlement offer of one (1) loyalty bonus option (Bonus Option) for every twenty (20) Shares held by those Shareholders registered at the Record Date (Bonus Options Offer); and (b) a further offer to Eligible Option holders of three (3) Options (Piggyback Options) for every one (1) Bonus Option exercised prior to the Bonus Option Expiry Date (Piggyback Options Offer). These options aim to reward loyal shareholders and raise up to \$36.6 million to fund future clinical activities in cardioprotection, m⁶A RNA & AML.

- On 27 November 2023, Race held its Annual General Meeting in Sydney, Australia. CEO Daniel Tillett and Executive Director Pete Smith presented Race's updated corporate strategy and answered questions from shareholders. All proposed resolutions were passed.
- On 13 December 2024, Race shared the poster of the Phase 2 R/R AML clinical data on bisantrene in combination with clofarabine and fludarabine presented at the American Society of Hematology 65th Annual Meeting by Arnon Nagler of the Sheba Medical Centre, Israel.
- On 29 December, Race provided an end of year update of clinical and preclinical activities and outlined expected news for 2024.

Other news from the quarter

- Early exercise of Bonus options by shareholders has contributed \$321k toward advancing additional preclinical programs to support Race's clinical advancement of RC220.

Post quarter news

- As of 25 January, an additional 428k Bonus option conversion have contributed an additional \$321 k to program advancement. Race wishes to thank all shareholders who have exercised their bonus options early for their continued support.
- CEO Daniel Tillett, Chair Mary Harney and Non-Exec Director Phillip Lynch intend to exercise their bonus option entitlements.

Summary of cash flow and quarterly activity

As of 31 December 2023, Race held cash and equivalents of \$13.72 million, compared with \$17.83 million on 30 September 2023. The net change in cash reserves of \$4.12 million is principally from continued operational costs, preclinical research expenditure, and product manufacture to Good Manufacturing Practice (GMP) standards for clinical trials. Expenditure is expected to slow in future quarters as GMP and GLP studies of RC220 are concluded.

Listing rule 4.7C.3

Payments during the quarter to Related Parties amounted to \$143k, comprising payments of salaries and superannuation to Executive Directors of \$81.1k and board fees to Non-Executive Directors of \$61.9k.

Shareholders by holding range

Race is pleased to report that shareholders totalled 8,680 as of 31 December 2023, showing renewed shareholder interest in Race's progress.

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	3,680	1,559,139	0.95%
above 1,000 up to and including 5,000	2,495	6,163,225	3.77%
above 5,000 up to and including 10,000	816	6,117,281	3.74%
above 10,000 up to and including 100,000	1,438	45,160,605	27.62%
above 100,000	251	104,496,001	63.91%
Totals	8,680	163,496,251	100.00%

Top 20 Holders as of 31 December 2023

Race is pleased to share the current Top 20 shareholders as of 31 December 2023. Shareholders can expect regular updates in future quarterly reports.

Position	Holder Name	Holding	% IC
1	DR DANIEL TILLET	16,322,295	9.98%
2	BIOSYNERGY PARTNERS PTY LTD	6,102,194	3.73%
3	MR PHILLIP RICHARD PERRY	6,032,694	3.69%
4	MR MARK PHILLIP JUAN	5,745,832	3.51%
5	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	4,645,468	2.84%
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,339,895	1.43%
7	MARINELLA MESSINA	1,757,377	1.07%
8	MR PHILLIP RICHARD PERRY & MRS TETYANA PERRY <DONESKA SUPER FUND A/C>	1,590,000	0.97%
9	CRAGANORIG HOLDINGS LLC	1,526,200	0.93%
10	MR SANDOR HELBY	1,500,000	0.92%
10	MR KIMBERLEY ROSS GARTRELL & MRS JENNIFER MARGARET GARTRELL <K&J GARTRELL SUPER FUND A/C>	1,500,000	0.92%
11	MR ANTHONY JAMES ROBINSON <THE PEEKO FAMILY NO 86 A/C>	1,323,250	0.81%
12	KUDOSS INVESTMENTS PTY LTD <AITKEN GLOBAL FAMILY A/C>	1,300,000	0.80%
13	MR ALAN GILES SAURAN	1,094,368	0.67%
14	PIERPOINT INVESTMENTS PTY LTD <PIERPOINT SUPER FUND A/C>	1,080,000	0.66%
15	MR BRIAN JAMES WALKER	888,888	0.54%
16	CITICORP NOMINEES PTY LIMITED	834,488	0.51%
17	MR VAN QUY DO	825,788	0.51%
18	SURPION PTY LTD <M W SUHR & CO A/C>	800,000	0.49%
19	MR BEAU THOMAS ROBINSON <BEAU ROBINSON INVSTMNT A/C>	691,889	0.42%
20	MR GRAEME STEWART POCKNALL & MRS VIVIENNE GLYNIS POCKNALL	674,511	0.41%
	Total	58,575,137	35.83%
	Total issued capital	163,496,251	100.00%

About Race Oncology (ASX: RAC)

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

Race's lead asset, bisantrene, is a small molecule chemotherapeutic. Bisantrene has a rich and unique 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 less cardiotoxicity over certain anthracyclines, such as doxorubicin.

Race is advancing a reformulated bisantrene (RC220) to address the high unmet needs of patients across multiple oncology indications, with a clinical focus on anthracycline combinations, where we hope to deliver cardioprotection and enhanced anti-cancer activity in solid tumours. Race is also exploring RC220 as a low intensity treatment for acute myeloid leukaemia.

Race is investigating the effect of bisantrene on the m⁶A RNA pathway, following independent research published by the City of Hope identifying bisantrene as a potent inhibitor of FTO (Fat mass and obesity-associated protein). Dysregulation of the m⁶A RNA pathway has been described in numerous peer reviewed studies to be a driver of a diverse range of cancers.

Race Oncology has collaborated with Astex, City of Hope, MD Anderson, Sheba City of Health, UNC School of Medicine, University of Wollongong and University of Newcastle, 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")

31 December 2023

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	(3,383)	(6,465)
(b) product manufacturing and operating costs	(545)	(1,857)
(c) advertising and marketing	(165)	(290)
(d) leased assets	-	-
(e) staff costs	(231)	(813)
(f) administration and corporate costs	(429)	(849)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	254	461
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,658
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(4,499)	(8,155)
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		Current quarter \$A'000	Year to date (6 months) \$A'000
	(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	321	321
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	321	321

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	17,834	21,520
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,499)	(8,155)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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)	321	321
4.5	Effect of movement in exchange rates on cash held	60	30
4.6	Cash and cash equivalents at end of period	13,716	13,716

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	2,416	2,034
5.2	Call deposits	11,300	15,800
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)	13,716	17,834

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	143
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"> - \$61,927 payments for non-executive director fees for the period; - \$81,097 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>	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.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,499)
8.2	Cash and cash equivalents at quarter end (item 4.6)	13,716
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	13,716
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.05
	<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?	
	<p>Answer:</p> <p>As of 31 December 2023, Race held cash and equivalents of \$13.72 million which is more than 3 quarters of available funding. Expenditure is expected to slow in future quarters as GMP and GLP studies of RC220 are concluded.</p>	
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?	
	<p>Answer:</p> <p>N/A</p>	
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?	
	<p>Answer:</p> <p>N/A</p>	
	<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: 30th January 2024

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.