ASX Announcement

Race Investor Update

15 July 2020 – Race Oncology Limited ("Race" or "the Company) (ASX: RAC) is pleased to release an updated investor presentation. It summarises significant recent news in regards the clinical development of our lead oncology drug, bisantrene. This update covers:

- The recently reported investigator-led *bisantrene for relapsed/refractory Acute Myeloid Leukaemia* Phase II clinical trial, through which the investigators observed an impressive 40% clinical response rate in hard to treat R/R AML patients who had failed an average of three prior lines of therapy
- The central role the Fat mass- and obesity-associated (FTO) protein has in the proliferation of a wide range of cancers and how bisantrene has been identified as a potent FTO inhibitor in a recent independent preclinical study by investigators from the City of Hope Hospital in Los Angeles, USA.
- A review and update of the 5-path strategy for bisantrene and associated potential market opportunities.
- An update on expected near term clinical and preclinical news.

A copy of the presentation is appended with this cover note.

- ENDS -

About Race Oncology (RAC: ASX)

Race Oncology (RAC) is a drug development biotech with a Phase II/III cancer drug called bisantrene. RAC has compelling clinical data for Bisantrene in acute myeloid leukaemia (AML) as well as breast and ovarian cancer. RAC is pursuing an exciting '5-Path' clinical development strategy that involves parallel US and Australian clinical trials in AML, breast and ovarian with clinical trials to begin in 2020.

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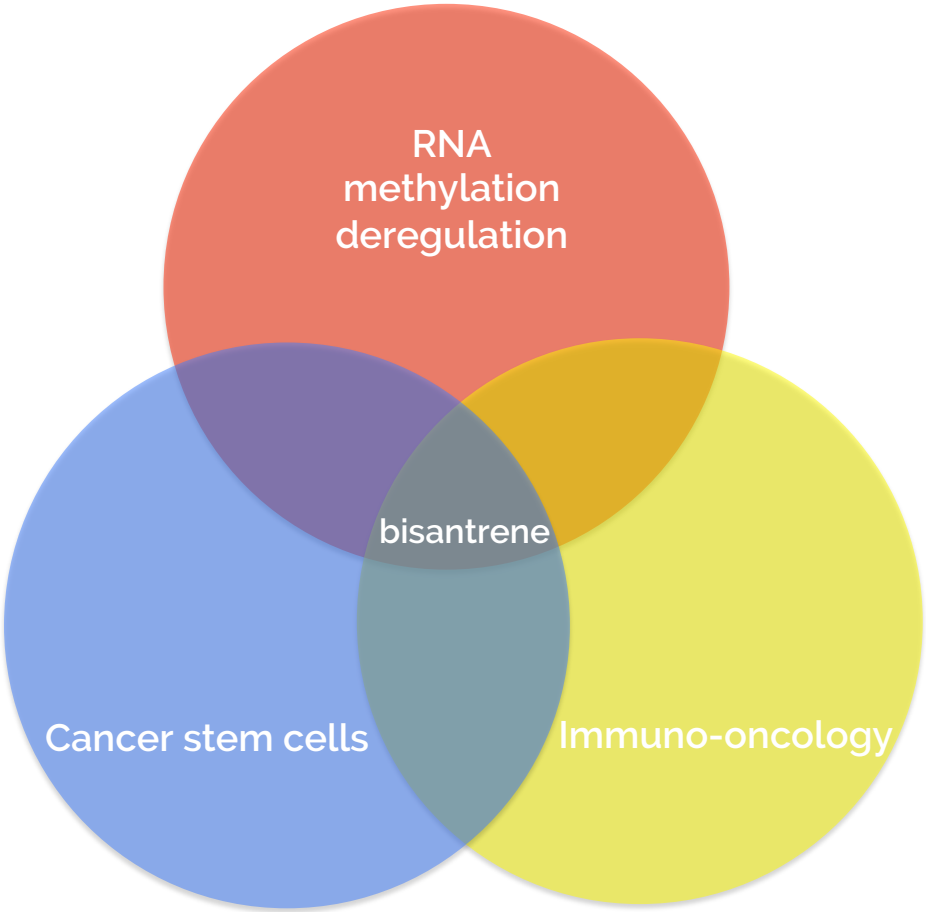
RACE
ONCOLOGY
Investor Update | July 2020

Investment highlights

- June 2020
  - Independent **Phase II trial bisantrene is safe, well tolerated and efficacious** beyond expectations in a very hard to treat relapsed / refractory Acute Myeloid Leukaemia (R/R AML) population
  - Independent preclinical study identify bisantrene as a potent FTO inhibitor **placing bisantrene in three of the hottest areas of oncology**
- 5-path strategy offer a **derisked opportunity to bring bisantrene into multi-billion dollar markets**
- Strong Board and KOL clinical advisors
- Well funded and backed by biotech specialist investors



Corporate snapshot

SHARES ON ISSUE	
Shares issued[1]	119.8 m
Options issued	36.5 m
Shareholders (14 Jul '20)	1537
MARKET CAPITALISATION	
Share price (14 Jul '20)	$1.02
Market value (14 Jul '20)	$122.2 m
Cash (14 Jul '20)[2]	$4.7 m
Enterprise value (EV)	$117.5 m
SIGNIFICANT SHAREHOLDERS	
Bill Garner (NED)	11.23%
Daniel Tillett (Director & CSO)	7.54%
Total shares held by directors	23%

1. Minus proposed 2.2 million share cancelation (ASX Announcement 10 July 2020)
2. Including $3 million strategic placement (ASX Announcement 13 July 2020)

Race management and advisors

seasoned team, key opinion leaders

BOARD

Dr John Cullity, Exec. Chair

Dr Bill Garner NED

Mr Chris Ntoumenopoulos, NED

BOARD

Dr Daniel Tillett Exec. Dir. / CSO

Prof Borje Andersson, NED

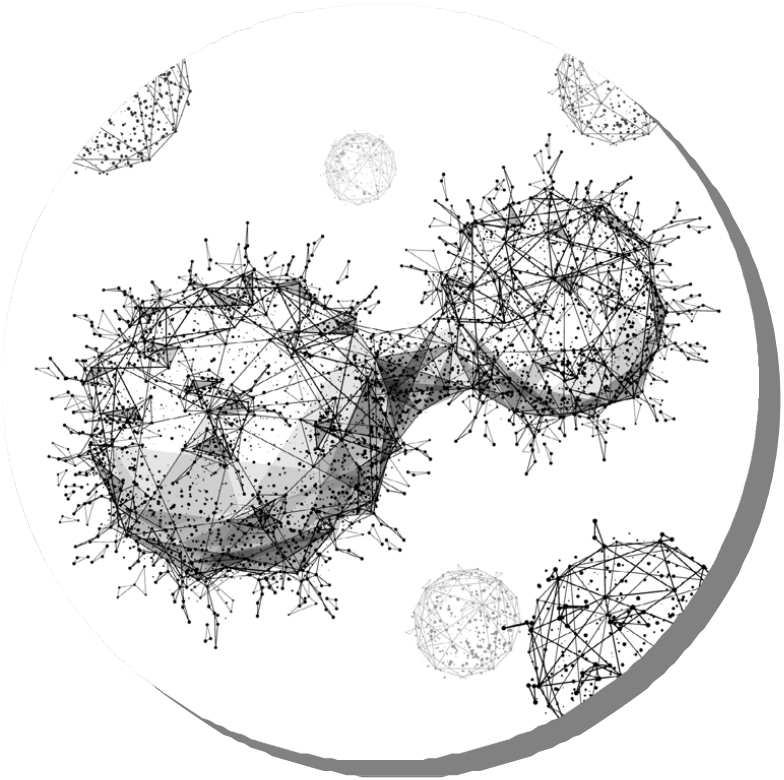
Mr Phil Lynch, NED

SCIENTIFIC ADVISORS

Prof Borje Andersson, MD Anderson

Prof Jaap Boelens MSKCC

Prof Didier Blaise, Paoli Calmette



About
Bisantrene

Bisantrene is a cancer chemotherapy drug developed in the 1980s by Lederle Pharmaceuticals

Bisantrene was tested in more than 40 human trials and showed activity in AML (acute myeloid leukaemia), as well as breast and ovarian cancer

Bisantrene was approved for AML in France in 1988, but never commercialised and it disappeared in the 1990s

Race was founded in 2016 with the mission to rescue bisantrene and bring this valuable drug back into clinical practice

Since then, Race has:

- Successfully manufactured bisantrene (GMP)
- Built a strong patent position (4 granted)
- US Orphan Drug designation (7 years exclusivity)
- Secured Rare Paediatric Disease (RPD) designation with the potential to receive a Priority Review Voucher (PRV)

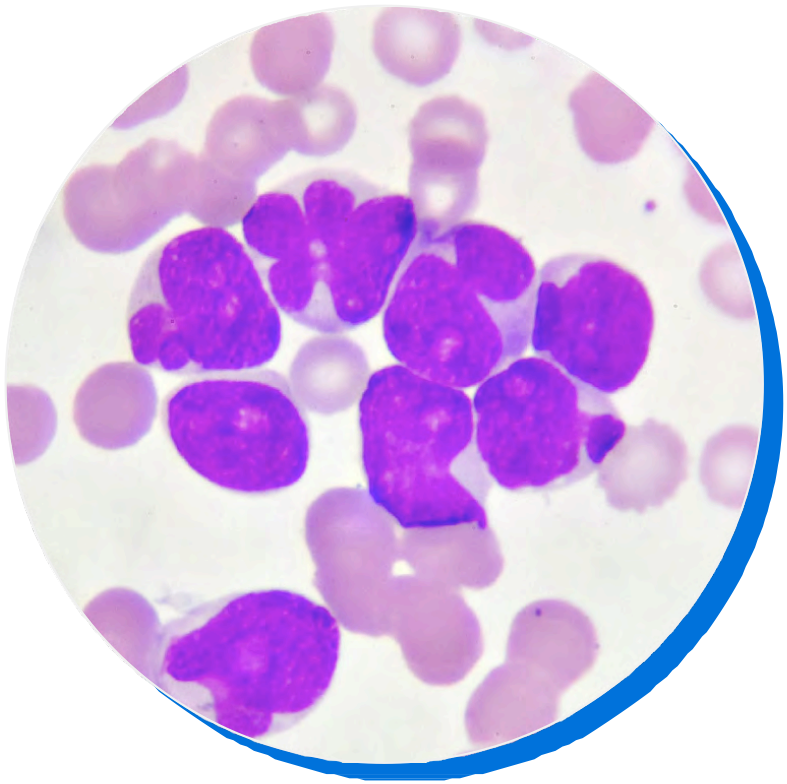
June 2020

pivotal for bisantrene & race

Results of the Phase II bisantrene clinical trial at the Sheba Medical Center (Israel)

Identification by Su *et al* (City of Hope Hospital, USA) that bisantrene is a potent inhibitor of FTO

Phase II Bisantrene monotherapy in relapsed/refractory (R/R) Acute Myeloid Leukemia (AML)



Phase II bisantrene trial
study design

Phase II open-label single arm single center study (NCT03820908)

- 7 day 250mg/m²/day
- n=10 R/R AML patients
- Single cycle of treatment
- Study population heavily pre-treated (average of 3 prior treatments)

Chaim Sheba Medical Center, Tel Aviv, Israel

- Principal investigator. Professor Arnon Nagler

Phase II bisantrene trial results[1]

Of the 10 patients, one patient (10%) achieved a complete remission and three patients achieved partial remissions

Overall Response Rate of 40%

All 4 **responders** had **high-risk extramedullary disease**

- Patient with leukaemia cutis (skin) achieved CR and bridged to allogeneic stem cell transplantation
- Patient with breast chloromas achieved high reduction in sites of disease deemed as partial response
- Patients with CNS disease both achieved transient clearance of peripheral blood blasts with one resulting in partial remission of ocular disease and other partial response of CNS disease

High levels of safety and no unexpected toxicities

1. ASX Announcements 16 & 19 June 2020

Next steps

Bisantrene combination AML trial

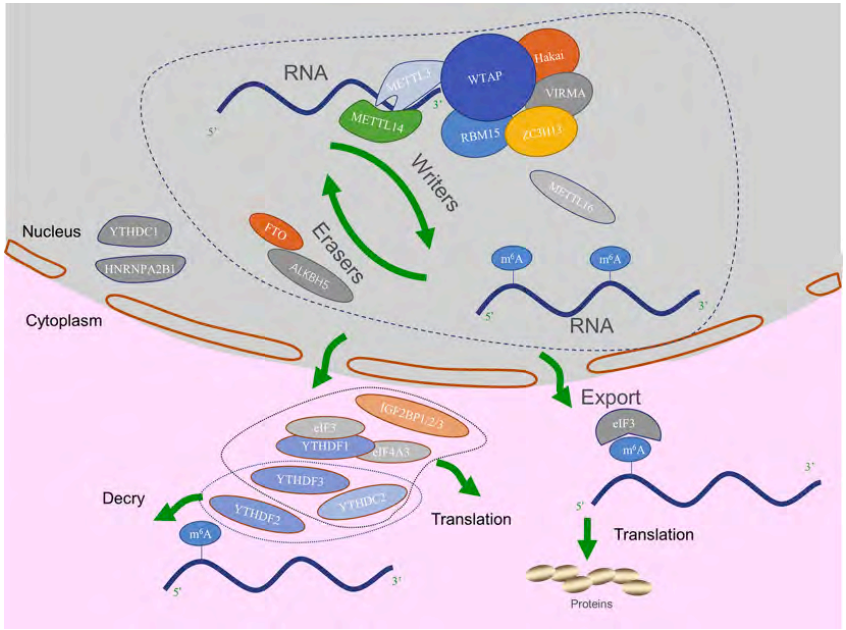
- Follow-up study combining bisantrene with other anti-leukaemic drugs is currently in advanced planning
- Trial planned to begin recruitment late 2020
- Trial fully funded via $3 million strategic placement to biotech investors[1]

1. ASX Announcement 13 July 2020


The critical role of RNA m6A
methylation in cancer

m^{6}A RNA methylation
key pathway in cancer

- Scientific discoveries over the last decade have identified disregulation of RNA methylation as a key driver of cancer development[1,2]
- Changes in m^{6}A RNA methylation control the expression of key genes in cancer development and growth
- Very widespread mechanism across a wide range of different cancers including **leukemia, breast, lung, ovarian, gastric, brain, melanoma, pancreatic, etc** – *hard to find a cancer type where RNA methylation disregulation is not important*
- **One of the hottest areas of cancer research**



1. Lan, Q., Liu, P. Y., Haase, J., Bell, J. L., Hüttelmaier, S., & Liu, T. (2019). The Critical Role of RNA m 6A Methylation in Cancer. *Cancer Research*, *79*(7), 1285–1292.
2. Zhao, W., Qi, X., Liu, L., Ma, S., Liu, J., & Wu, J. (2020). Epigenetic Regulation of m6A Modifications in Human Cancer. *Molecular Therapy - Nucleic Acids*, *19*, 405–412.

FTO
central player in cancer

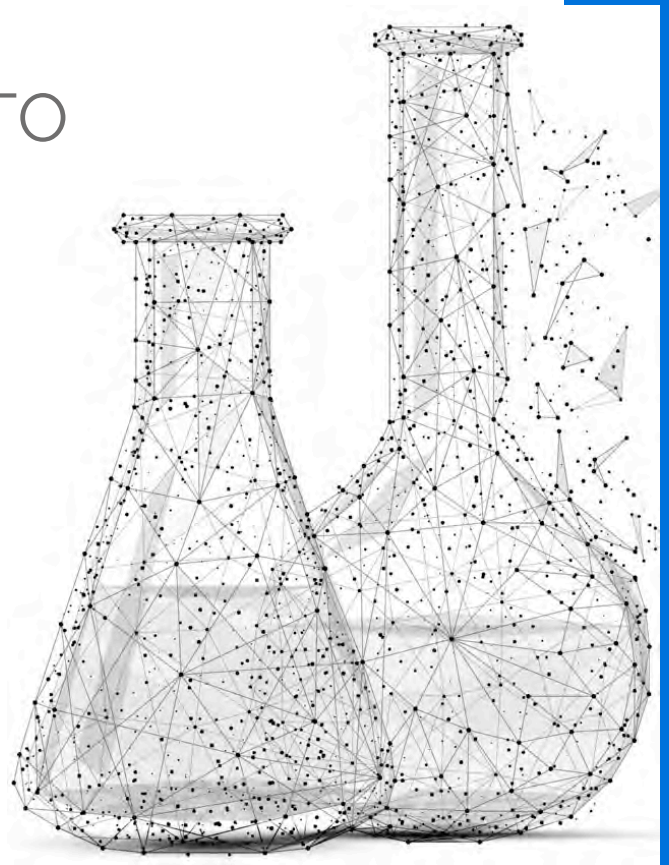
- Fat mass- and obesity-associated Protein (FTO)[1]
- Variations in the gene are associated with body weight differences[1]
- Found in 2011 to be a m^6A RNA demethylase (removes methyl groups fro RNA)
- Regulates the level of m^6A methylation in RNA[1]
- Increases in the expression of FTO protein drive cancer development and metastasis
- **Reduction of FTO activity kills or slows the grow of a wide range of cancers[2]**

1. Deng, X., Su, R., Stanford, S., & Chen, J. (2018). Critical Enzymatic Functions of FTO in Obesity and Cancer. *Frontiers in Endocrinology*, *9*, 724–7
2. Huang, H., Weng, H., & Chen, J. (2020). m6A Modification in Coding and Non-coding RNAs: Roles and Therapeutic Implications in Cancer. Cancer Cell, 37(3), 270–280

June 2020 City of Hope Study

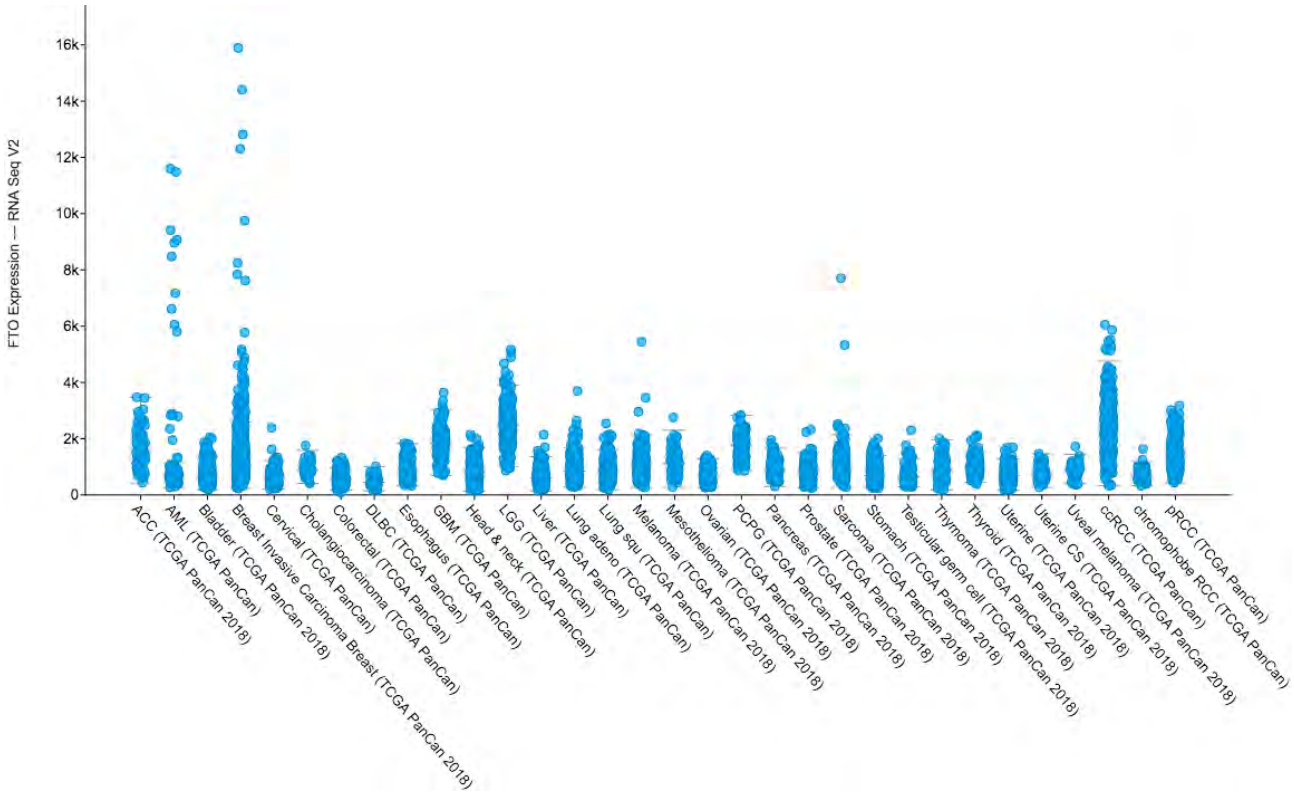
Bisantrene is a potent inhibitor of FTO

- Su *et al* from the City of Hope Hospital (Los Angeles) discovered that **bisantrene is a potent inhibitor of FTO** (IC50 = 142nM)[1]
- Extremely impressive and high quality work published in the top tier cancer journal *Cancer Cell*
- **Screened 260,000 compounds from the NCI DTP library – found bisantrene**
- **Bisantrene was the most specific FTO inhibitor identified** to date and more than 10x better than any previous known drug **– targeted agent**
- In a preclinical mouse model of AML bisantrene was shown to be a potent anti-leukemic at very low doses (7.5mg/m²/day)
- Bisantrene inhibits cancer stem cell renewal (stem cell oncology)
- Bisantrene sensitizes AML cells to T-cell cytotoxicity and overcomes immune evasion (immuno-oncology)
- **Places bisantrene right in the middle of three of the hottest area in oncology**
    - RNA methylation
    - Cancer stem cells
    - Immuno-oncology
- **Bisantrene is no longer a boring old chemo drug!**



1. Su, R., Dong, L., Li, Y., Gao, M., Han, L., Wunderlich, M., et al. (2020). Targeting FTO Suppresses Cancer Stem Cell Maintenance and Immune Evasion. Cancer Cell.

What does this all mean for Race?



- **Bisantrene still works**
- Validation of the historical data and our 5-path strategy for commercialisation
- **Bisantrene has two mechanisms of action**
  - **High dose** anthracycline-like chemotherapeutic (250mg/m²/d) but with greater safety with less cardiotoxicity (clinical data)
  - **Low dose** (7.5mg/m2/d) FTO targeted agent with low toxicity (preclinical data)
- Preclinical data opens up opportunities for bisantrene in other cancer types where FTO is overexpressed
- Has already attracted keen interest from key opinion leaders in oncology (potential collaborations)
- **Race's IP position unchanged and robust**

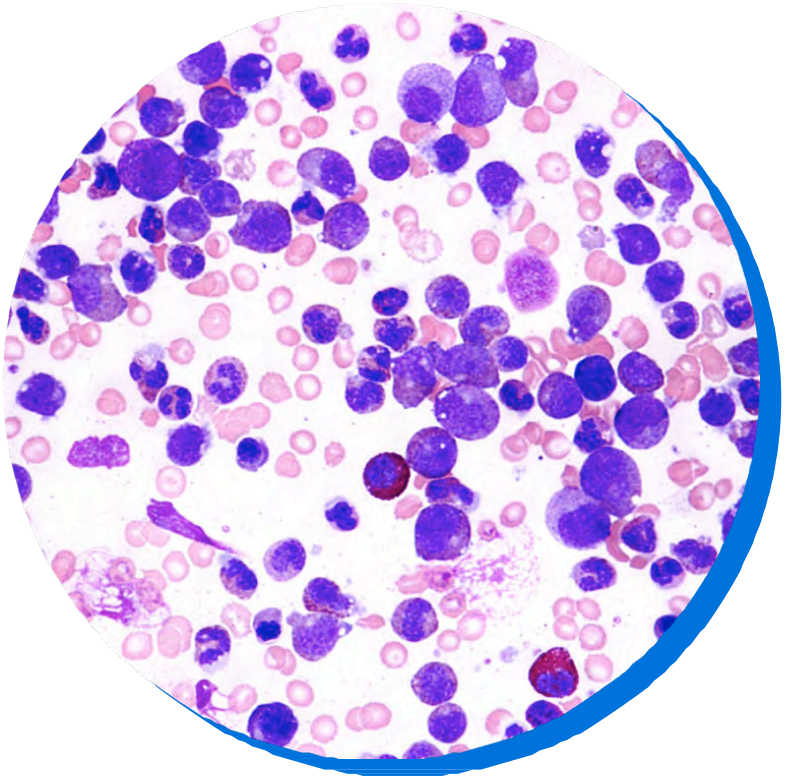
AML
a crowded market?

- AML is increasingly a crowded market with more than 200 new treatments in development
- Any new AML treatment needs to **establish a market niche with less competition**
- Race is using three commercialisation strategies
  - Aim to replacing doxorubicin in high intensity induction chemotherapy using an clinical development approach similar to that used by Jazz with Vyxeos®
  - Open new areas for investigation not served by existing AML treatments (e.g. MRD)
  - Target pediatric AML to secure a valuable PRV

The combination opportunity

Previous research (Lederle/NCI) showed that Bisantrene has differential activity over other chemotherapy agents

How does it stack up today using modern research techniques?



Bisantrene adult R/R AML trial

Phase I/II Bisantrene combination AML study
Bisantrene plus other approved AML treatments

Plan to run trial in Israel
Familiar with bisantrene
Does not require FDA Investigator New Drug (IND) approval

Eligibility
All AML patients after first relapse or refractory

Endpoints
Pharmacokinetics, dosage and safety of the drug combination
CR and progression free survival

Goals
Attract partner support for US trial
Support paediatric trial IND

Bisantrene paediatric AML trial

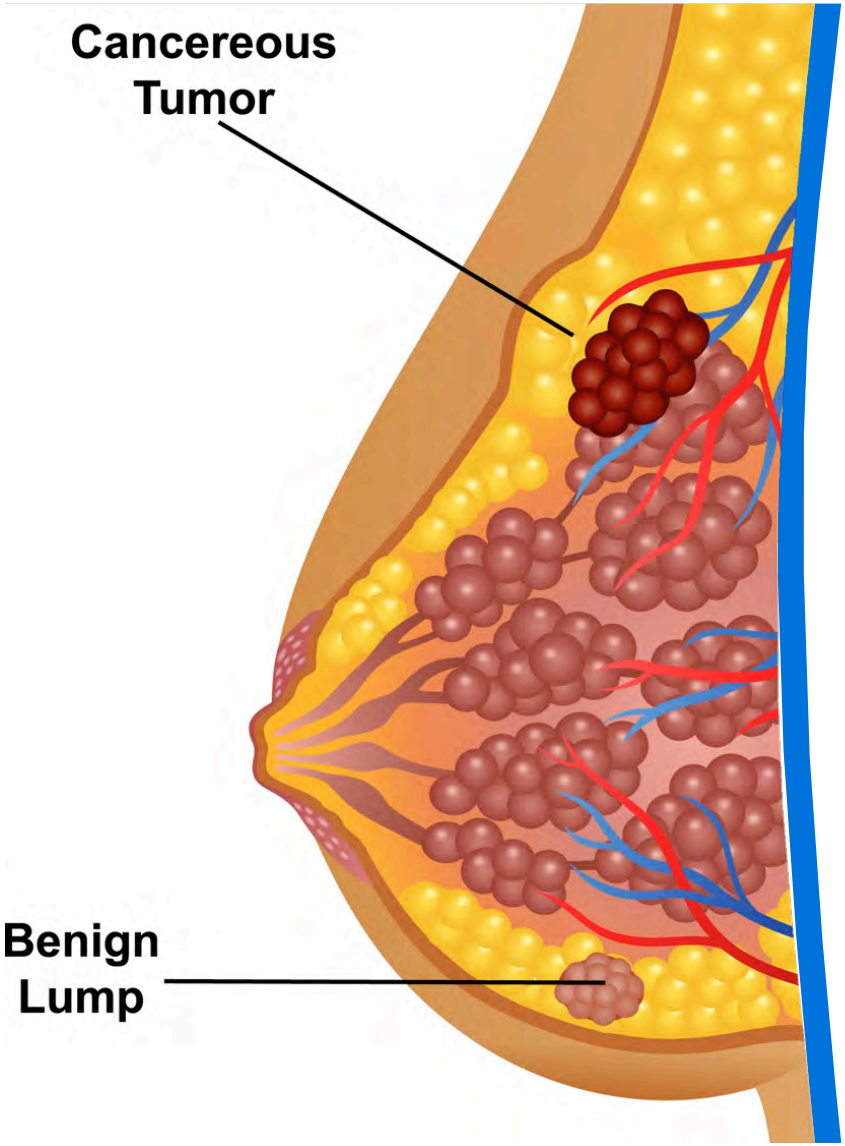
Phase I/II paediatric AML Bisantrene combination study
Bisantrene plus other approved AML treatments

Aim is to run trial in US and Australia under IND
Small trial – expect 25-40 patients

Eligibility
Childhood AML patients who meet 'rare paediatric disease' criteria under Race's RPD/PRV designation

Endpoints
Pharmacokinetics, dosage and safety of the drug combination in children
CR and progression free survival

Goal
Gain approval for Bisantrene for Rare Pediatric Disease and secure PRV
PRVs can be sold on secondary market (range US$75-$150 million)



Breast cancer combination trial

Phase I/II proof-of-concept (POC) trial in breast cancer
Will use drug combinations which preclinical data show synergise with Bisantrene (preclinical studies underway with U. Newcastle)

Use optimal dosing, administration and combination of Bisantrene
Historical breast cancer trials used sub-optimal dosing and administration of Bisantrene (but still showed good activity!)

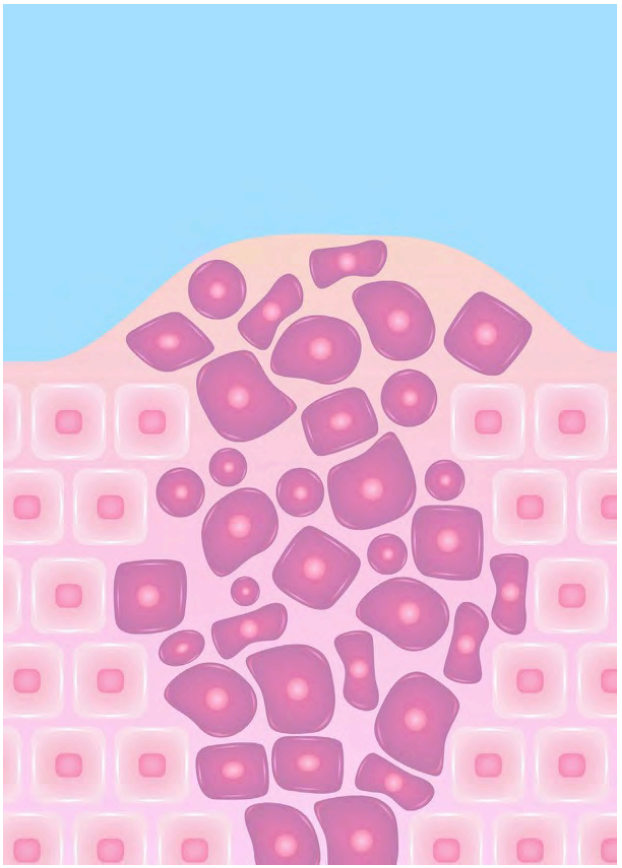
Goals
Opens up much larger cancer market than AML
(2 million cases each year)
Show equivalent efficacy to existing treatments but with fewer serious side effects (less damage to the heart)
Displace the current anthracyclines used in breast cancer treatment

Ovarian cancer combination trial

Phase I/II proof of concept (POC) trial in ovarian cancer
Preclinical trials to be performed to identify which drug combinations show synergy

Use optimal dosing, administration & combinations of Bisantrene
Historical non-AML cancer trials all used sub-optimal dosing and did not use combinations, but still showed activity for Bisantrene

Goals
Open up much larger cancer market than AML
(200,000 cases each year)
POC trial to attract pharmaceutical partner for approval trials



Recent clinical studies have demonstrated the importance of eliminating measurable residual disease (MRD) in AML patients

Why is MRD so important for curing AML patients and what can be done?

The MRD opportunity

The MRD opportunity

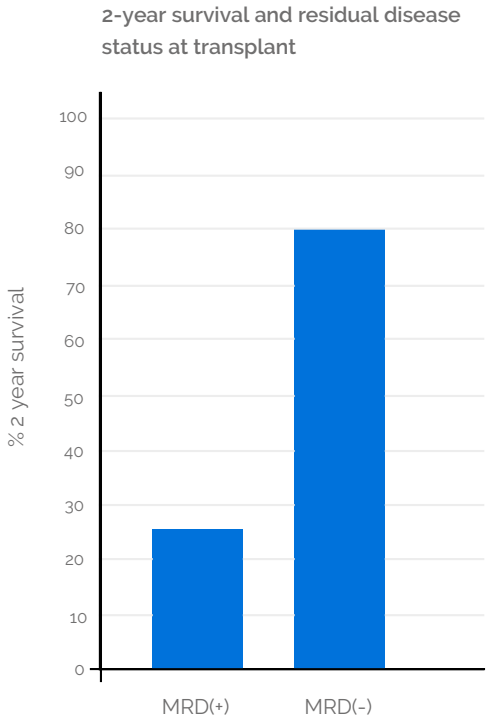
Up to 80% of AML patients who are fit enough for induction chemotherapy (3+7) with go into remission (CR) and may then be candidates for a human stem cell transplant (HSCT)

Whether the transplant is successful depends largely on the patient's MRD (Measurable Residual Disease) status at the time of transplant

- MRD(+) patients (those with MRD) have less than 25% two-year survival time
- MRD(-) patients have a 80% survival post transplant = potential cure!

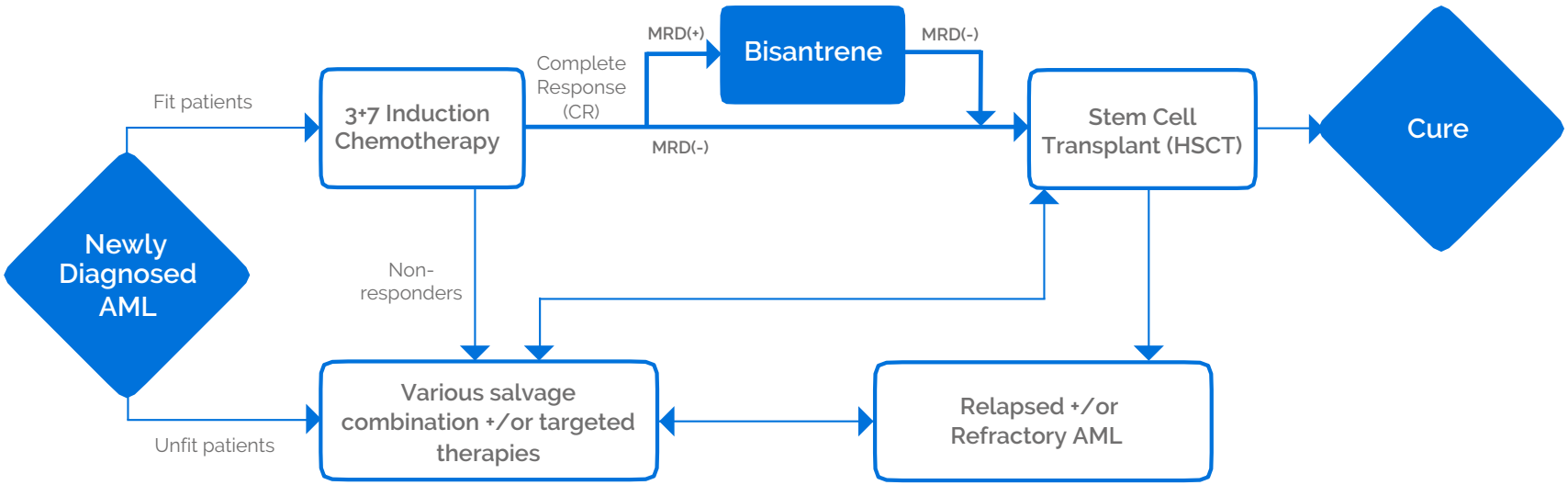
As yet, there are no approved treatments that can change MRD status from (+) to (-) for AML

- Bisantrene is potentially the answer
- ~3500 case per year (USA)



Bisantrene in AML treatment
for MRD

Bisantrene could transform cure rates by changing MRD status



Phase II MRD trial

Phase II study of Bisantrene treatment after (7+3) induction chemotherapy to change MRD status

Aim to run trial in USA and/or Israel/Australia in partnership with leading US cancer centers

Eligibility

Transplant eligible MRD(+) patients in CR after induction chemotherapy – potential for paediatric study too

Study Design

Open label 7-day Bisantrene 250mg/m^2/day treatment in 28 MRD(+) patients

Endpoints

MRD status post-Bisantrene

Treatment post-transplant survival

Goal

Early FDA approval of Bisantrene for MRD(+) patients

Near term activities

- Initiation of Phase II combination AML trial
- Preclinical breast cancer results
- AML drug combination publication
- Sheba Phase II AML publication
- ASH presentation (conference abstract)
- FDA Investigation New Drug (IND) submission
- Potential for other investigator initiated trials

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Selected oncology buyout transaction
leukaemia

Company	Drug	Value	Date	Phase
Forty Seven[1]	magrolimab	US$4.9 billion	2020	I/II
Ariad[2]	brigantinib	US$5.2 billion	2017	II
Celator Pharma[3]	CPX-351 (Vyxeos®)	US$1.5 billion	2016	III
Micromet[4]	blinatumomab	US$1.16 billion	2012	II
Ambit Biosciences[5]	quizartinib	US$0.41 billion	2014	II
Average		US$2.64 billion		

1. www.gilead.com/news-and-press/press-room/press-releases/2020/3/gilead-to-acquire-forty-seven-for-49-billion
2. endpts.com/takeda-grabs-ariad-expands-oncology-portfolio-in-5-2b-buyout/
3. www.forbes.com/sites/luketimmerman/2016/05/31/celator-gets-bought-seeing-stock-rocket-from-1-68-to-30-25-in-two-months
4. investors.amgen.com/news-releases/news-release-details/amgen-acquire-micromet
5. www.fiercebiotech.com/financials/daiichi-sankyo-bags-leukemia-drug-410m-ambit-buyout

AML case study 1
ivosidenib

Approved by the FDA in May 2019 for newly diagnosed AML with a susceptible IDH1 mutation[1]

Early approval from a Phase I/II open label trial of 28 patients

43% CR/CRi[2]

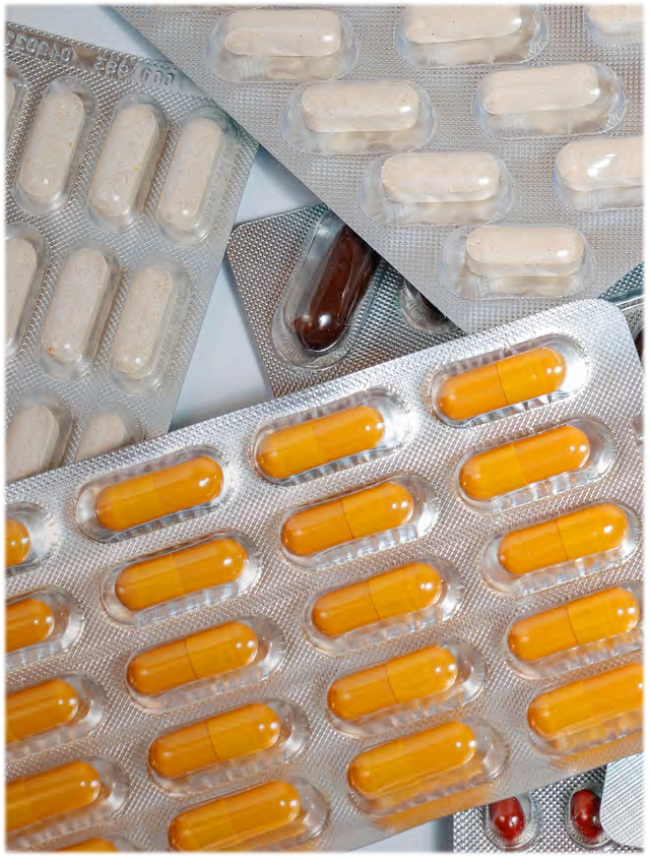
Small Market

700 – 1100 patients in the USA per year

Total Sales

US$300 million per year[3]

1. https://www.fda.gov/drugs/resources-information-approved-drugs/fda-approves-ivosidenib-first-line-treatment-aml-idh1-mutation
2. https://clinicaltrials.gov/ct2/show/NCT02074839
3. https://www.fiercebiotech.com/special-report/20-tibsovo



AML case study 2
gilteritinib

Approved by the FDA in November 2018 for relapsed or refractory AML with a FLT3 mutation[1]

Early approval of gilteritinib based on an interim analysis of the ADMIRAL trial[2]

138 adult patients having a FLT3 ITD, D835, or I836 mutation

CR/CRi **~21%**

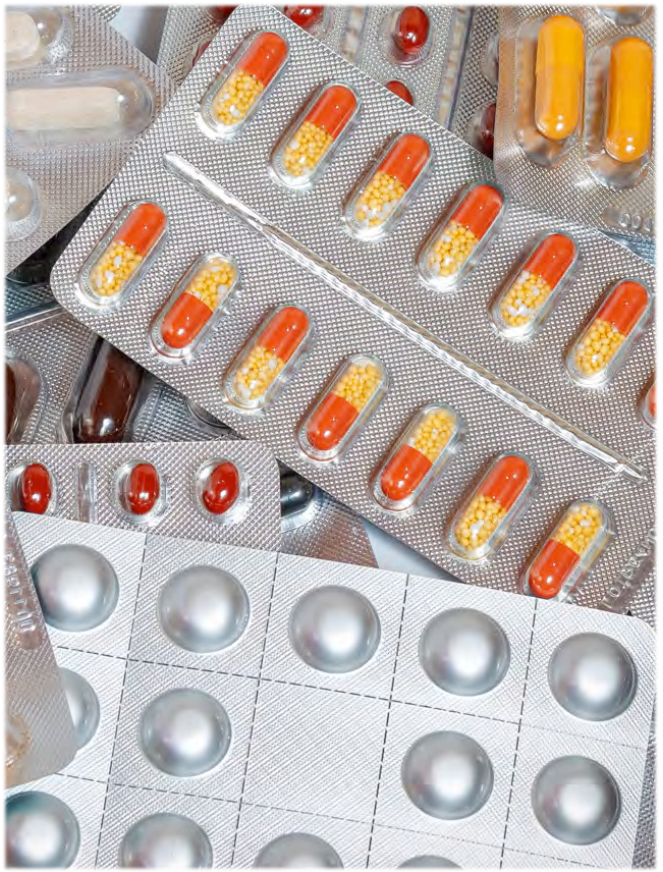
Small Market

10% of all AML patients

~1000 patients in USA per year

Total Sales

Cost US$400,000 per year per patient[3]



1. https://www.fda.gov/drugs/fda-approves-gilteritinib-relapsed-or-refractory-acute-myeloid-leukemia-aml-flt3-mutatation
2. https://clinicaltrials.gov/ct2/show/NCT02421939
3. https://www.drugs.com/price-guide/xospata