

ASX Announcement

Race executes global license agreement with City of Hope to access FTO IP

- Race executes worldwide license agreement with City of Hope, one of the largest cancer research and treatment organisations in the United States.
- Under the agreement, Race will exclusively secure rights to a City of Hope patent application and associated know-how identifying that bisantrene may be the most potent inhibitor of the FTO pathway.
- Agreement grants Race freedom to explore and operate under certain City of Hope patent rights, subject to specified conditions.
- Agreement builds engagement with City of Hope and the related opportunity for scientific collaboration as Race progresses its evaluation of bisantrene's targeted impact on the FTO and m⁶A¹ pathways.

10 July 2023 – Race Oncology Limited (“Race”) is pleased to announce execution of an exclusive licence agreement (“Agreement”) to access U.S. cancer research and treatment organisation City of Hope’s intellectual property (“IP”) which highlights bisantrene as a potent inhibitor of the human fat mass and obesity-associated protein, or FTO. City of Hope, one of the largest cancer research and treatment centres in the United States and a leading research centre for diabetes and other life-threatening illnesses, encourages the use of its inventions, discoveries and intellectual property for the benefit of the public.

These rights granted under the Agreement include the exclusive license of IP potentially arising from a patent application (PCT Application No. PCT/US2020/043294) (“Patent Application”) as filed by City of Hope and know-how relating to data included in the Patent Application (“Know-How”). The Agreement ensures Race’s exclusive access to that IP, which the Company believes will construct a transparent path for collaborative research and the downstream commercialisation of FTO inhibitory applications. A summary of the material terms of the Agreement are provided on page 3 of this announcement.

CEO and Managing Director, Damian Clarke-Bruce commented: *“In 2020, City of Hope published research highlighting bisantrene as a potent inhibitor of FTO. This exclusive worldwide agreement secures access for Race to important IP associated with that work and opens exciting opportunities for us to collaborate closely with Professor Jianjun Chen and his research group.*

With the agreement in place, collaborative discussions regarding Race-sponsored research are now easier to facilitate. Moreover, this agreement secures a clear path for Race’s FTO research agenda. We are excited about further validating this targeted application for bisantrene

¹ N⁶-methyladenosine, which is an abundant modification in messenger RNA

through preclinical and clinical studies and anticipate that FTO inhibition may offer a high-impact, personalised medicine solution for cancer patients.”

--ENDS--

About Race Oncology (ASX: RAC)

Race Oncology is an ASX listed precision oncology company with a Phase 2/3 cancer drug called bisantrene

Bisantrene is a potent inhibitor of the Fatso/Fat mass and obesity associated (FTO) protein. Overexpression of FTO has been shown to be the genetic driver of a diverse range of cancers. Race is exploring the use of bisantrene as a new therapy for melanoma and clear cell renal cell carcinoma, which are both frequent FTO over-expressing cancers.

In breakthrough preclinical research, Race has also discovered that bisantrene protects from anthracycline-induced heart damage, while in tandem acting with anthracyclines and proteasome inhibitors to improve their ability to target cancer.

The Company also has compelling clinical data for bisantrene as a chemotherapeutic agent and is in multiple clinical trials in Acute Myeloid Leukaemia (AML).

Race is pursuing outsized commercial returns for shareholders via its 'Three Pillar' strategy for the clinical development of bisantrene. 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>

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SUMMARY OF MATERIAL TERMS OF AGREEMENT

- **Development and commercialisation:** the Company shall use reasonable endeavours to use the IP to develop and commercialise products directly or indirectly through sub-licensees.
- **Development Milestones:** if the Company fails to achieve the following diligence milestones, it must pay a fee prior to the relevant deadline date:

“Deadline Date”

“Diligence Milestone”

Four years from 8 July 2023

Dose the first patient in an FTO-Related Phase 3 Clinical Trial of a Licensed Product

Six years from 8 July 2023

Receive the first Marketing Approval for an FTO-Related Indication in the United States, Europe, China or Australia with respect to a licensed product (being products or services covered by valid claims relating to the IP).

- **Rights/Licences:** City of Hope agrees to grant to the Company exclusive royalty-bearing rights and licences to:
 - use the Patent Rights to make, have made, use, offer, sell, perform and import licenced products; and
 - use and make derivative works of the Know-How to make, have made, use, offer, sell, perform and import licenced products.
- **Payments:** in consideration for the rights/licences to the IP, the Company agrees to pay City of Hope:
 - a one-time non-refundable licence fee of USD\$50,000 within 30 days from 8 July 2023;
 - subject to and upon a change of control in the Company occurring, USD\$1,000,000;
 - There are eight milestone payments, four for development diligence milestones and four for sales milestones potentially payable over the course of the license agreement with the aggregate dollar amount up to USD\$22M;
 - the following royalty payments:
 - low single digit royalty payments;

- if the base royalty above amounts to less than USD\$200,000, the difference between USD\$200,000 and the total earned royalty paid by Licensee for the given licence year, as adjusted, provided, however, that for the first license year of commercial sales of Bisantrene, the minimum annual royalty payable shall be pro-rated for the number of months remaining in that calendar year.
- the royalty payments shall expire on the last date on which a valid claim exists or the 10th anniversary of a commercial sale.
- **Sublicense Revenues:** the Company shall pay to City of Hope the applicable percentage of all sublicense revenues up to a low double digit sublicensing fee.

The Agreement contains terms and conditions considered otherwise standard for an agreement of this nature.