4 January 2018

ASX Announcement / Media Release

Race to present at JP Morgan Biotech Conference in US

HIGHLIGHTS

- Race CEO to present at J.P. Morgan Biotech Showcase in San Francisco
- Updated company presentation released to the ASX
- Race story actively promoted to international investors

4 January 2018: Race Oncology Limited ("RAC") is pleased to announce it has been invited to present at the 'Biotech Showcase' during the J.P. Morgan Healthcare Conference in San Francisco next week.

Race Oncology Chief Executive Peter Molloy will present on Monday 8 January, the opening day of the conference. The company presentation is attached.

"The J.P. Morgan Healthcare Conference is the largest and most informative healthcare investment symposium on the US investment calendar," said Mr Molloy.

"The Biotech Showcase is a pivotal opportunity to present Race Oncology's key drug Bisantrene and the Race investment story to more than eight thousand attendees from all over the world," said Mr Molloy.

This is the first time Race will have presented at the J.P. Morgan Biotech Showcase.

The conference is part of the company's strategy to expand its international profile.

"Presenting at international conferences helps to build Race's global profile among healthcare and biotech investors," said Mr Molloy.

Over the last several months, Race has been meeting with potential investors in New York and London, who have experience investing in ASX-listed companies.

"The Race story has been positively received in New York, with some investors describing our business model as 'unique' and 'exciting'," said Mr Molloy.

During November, the company presented at the 'Biotech & Money' conference in London, and also attended the Jefferies Healthcare Conference in London.

A video interview of CEO Peter Molloy at the Biotech & Money conference can be viewed here: https://www.youtube.com/watch?v=ObLlKrCUyDQ

About Bisantrene

Bisantrene is a small-molecule chemotherapy drug related to the anthracyclines, the most frequently prescribed cancer drugs and first line of treatment for many cancers. It has been shown to have greatly reduced cardiac toxicity. Bisantrene was tested in more than 40 clinical studies before it was lost in a series of pharmaceutical mergers in the 1990s. The initial clinical opportunity for Bisantrene is for relapsed/refractory AML patients. Race has filed two patents on the drug and has been granted an Orphan Drug Designation in the USA for AML, which confers seven years of market exclusivity in the US from the date of FDA approval.

About Race Oncology (RAC.ASX)

Race Oncology is a specialty pharmaceutical company that listed on the Australian Securities Exchange (ASX) in July 2016. Race's business model is to pursue later-stage drug assets in the cancer field that have been overlooked by big pharma. The company's first asset is Bisantrene, a chemotherapy drug, that was the subject of more than 40 phase II clinical studies during the 1980s and 1990s, then lost in a series of pharmaceutical mergers.

Media contact:

Heidi Cuthbert
+61 411 272 366
E: heidi.cuthbert@multiplier.com.au



Investor Presentation

January 2018

Forward Looking Statements

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Forward looking statements

This presentation contains certain forward looking statements that are based on the Company's management's beliefs, assumptions and expectations and on information currently available to management. Such forward looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results or performance of Race to be materially different from the results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the political and economic environment in which Race will operate in the future, which are subject to change without notice. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast.

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Corporate overview

- Race Oncology is based in Melbourne Australia
  - Listed on ASX in July 2016 (RAC) at A$0.20
    Currently trading around $0.40
- Initial Drug Asset: Bisantrene
  - Chemotherapy tested in >40 studies that meets an important current medical need in leukaemia
  - Race owns recent patent filings and exclusivity under US Orphan Drug Designation
- Business Model:
  - Rediscover & rescue overlooked drugs, with focus on orphan diseases in oncology
  - Strategy: gain FDA approval for Bisantrene, while generating early revenues under named patient programs

Corporate Snapshot		
Shares on Issue		
Ordinary		65m
Performance Shares		10m
Options		35m
Market Capitalization (AUD)		
Share price (3/1/18)		$0.47
Market Capitalisation		$31 m
Cash (30/09/17)		$2.4 m
Major Shareholders		
Update Pharma. Inc.	15 m	23%
Peter Molloy (CEO)	4 m	6%

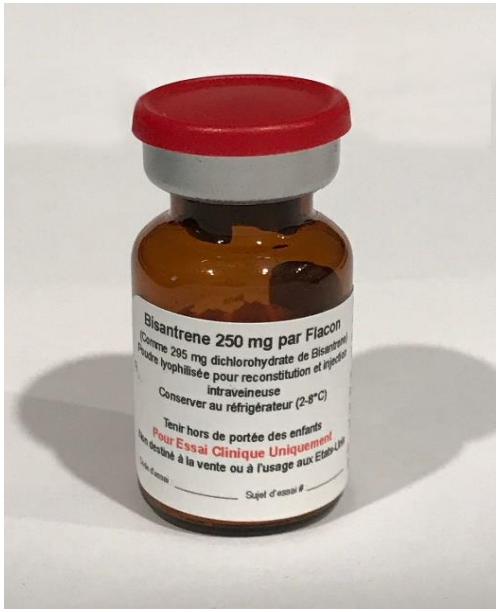
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Race's investor value creation plan

1. Bring Bisantrene to market by completing clinical development and obtaining FDA approval

2. Meanwhile, make Bisantrene available in specific countries under a Named Patient Program (NPP)

Bisantrene:
Targeted for treatment of AML

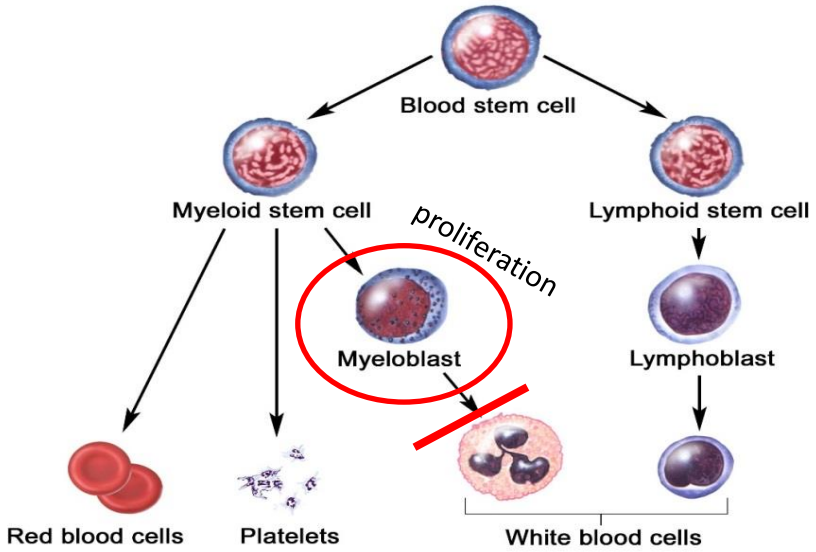


Bisantrene Dihydrochloride 250mg lyophilised powder for reconstitution & infusion via central venous line

Overview of AML (Acute Myeloid Leukemia)

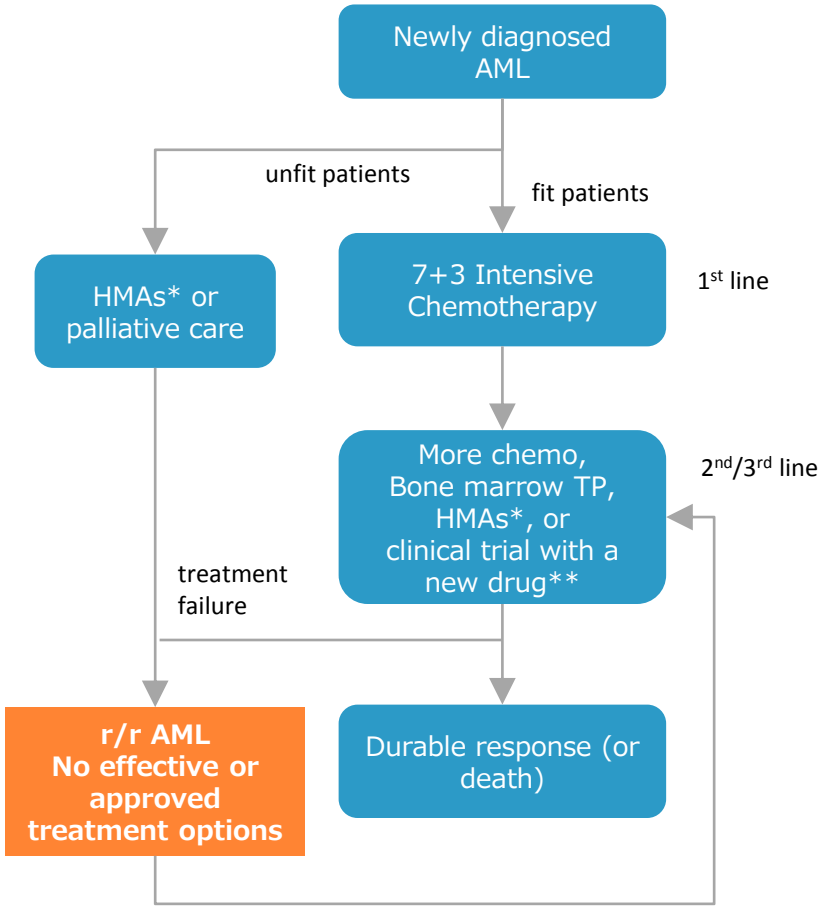
- Progenitor white blood cells (myeloblasts) fail to differentiate into white blood cells
  - Myeloblasts proliferate and build up in bone marrow and blood
  - Shortage of crucial white blood cells
- Rapidly progressive
  - 74% die <5 years, mainly due to infections or treatment related mortality
- Orphan disease
  - 20,000 new patients a year in the US
  - Disease mainly of the elderly: incidence growing as population ages

AML is a blood cancer caused by proliferation of myeloblasts and a shortage of white blood cells



r/r AML: Unmet Medical Need

- Treatment has not changed in 30 years
  - 1st line treatment is chemotherapy – 7 days with cytarabine + 3 days with an anthracycline ('7+3' chemotherapy)
  - There is no approved 2nd line treatment, but several approaches used in practice
  - Lots of drugs in development
- Opportunity for Race Oncology
  - Relapsed/refractory (r/r) AML
  - No approved treatment; palliative care often the only option
  - Represents up to 30% of all AML patients

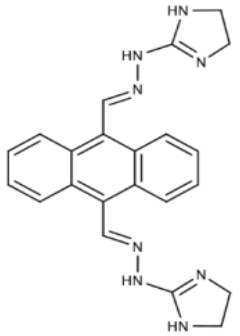


*Hypomethylating agents: azacytidine or decitabine

** Targeted drugs aimed at cytogenetic sub-populations

Bisantrene Overview

- Small molecule drug related to anthracyclines
  - Discovered in the 1970s by Lederle Laboratories (US)
    - Goal: anthracycline performance without cardiac toxicity
- Mode of action
  - In addition to its cytotoxic actions (like the anthracyclines), Bisantrene has immuno-stimulatory and apoptotic effects:
    - In animal models, activates macrophages to attack cancer cells
    - Binds to DNA displacing telomerase binding proteins, leading to apoptosis of cancer cells (programmed cell death)
- Extensively tested during 1980s
  - >40 phase 2 clinical studies by Lederle and the NCI against a range of cancer types
  - Impressive activity in Acute Myeloid Leukaemia (AML)



Bisantrene molecule

Bisantrene is a small molecule drug for treating AML

Bisantrene in r/r AML

- Average 48% remission rates in five AML studies (1987-1994)
  - Patients were heavily pre-treated with up to 8 cycles of chemotherapy, i.e., relapsed/refractory
- Bisantrene was approved in France in the late 1980s for treating AML
  - But it was not commercialised and the approval later withdrawn
- Treatment of AML has not changed appreciably in more than 30 years
  - Opportunity for Bisantrene in AML still exists today

Study	Phase	Number of AML Patients	Complete Response* Rate
Study 1, 1987	II	40	50%
Study 2, 1989	II	10	40%
Study 3, 1989	II	15	47%
Study 4, 1993	II	7	72%
Study 5, 1994	II	13	38%
Total/Average		85	48%

*Generally defined as no myeloblasts detected in the blood and less than 5% in bone marrow

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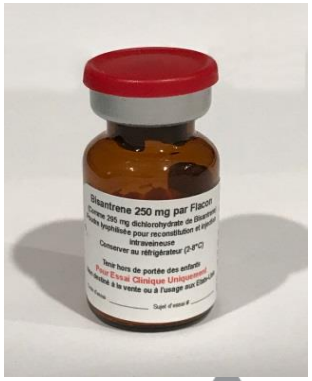
How Bisantrene was lost

- Big pharma mergers in the 1990s
  - Around the time of the French AML approval, Lederle's parent company (American Cyanamid) ran into financial problems
  - American Cyanamid sold Lederle to Wyeth, which had no oncology franchise
  - Wyeth was later sold to Pfizer, but by then the original patents had expired
- Bisantrene disappeared for 25 years
  - Eventually, the NCI closed their IND and Wyeth/Pfizer withdrew the French approval, leaving Bisantrene as an orphan – a unmarketed generic drug, effectively owned by no-one
  - A drug with over 40 clinical trials, 70 peer reviewed publications, and an approval for AML in France, was lost for 25 years until Race rediscovered it

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Bisantrene's rebirth by Race

- Commercial protection obtained
  - Race owns two recent (2014) patent applications and orphan drug designation (ODD) in the US – confers 7 years in-market exclusivity post-approval
- Expedited regulatory pathway established
  - Feb 2017 pre-IND meeting: Bisantrene qualifies for 505(b)(2), allowing Race to use historical data
  - Collaboration with NCI: Race obtains NCI data package
- GMP drug product manufactured
  - June 2017: GMP API synthesis completed
  - Sept 2017: First GMP finished product manufactured and released; CMC package completed
- Next step: IND filing for registration study in 2018, then conduct registration study



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While completing steps for marketing approval of Bisantrene, Race expects revenues under a named patient program

Named Patient Program (NPP)

- In some countries, early access schemes allow companies to supply an unapproved drug if:
  - Patients have no other treatment recourse (r/r AML)
  - Patients are nominated by a doctor (‘named patient’)
  - Necessary local approvals are obtained
- NPP supply is legal in France, Italy, Turkey, Korea
  - Each country has its own approval process for NPP
  - First revenues expected in early 2018
- Value of NPP
  - Revenues to support clinical trial and approval in US
  - Clinical usage and experience with Bisantrene

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Race Management Team



CEO: Peter Molloy

- ASX CEO who has delivered 10x market cap growth (Biota)
- 17 years big pharma marketing: Man. Dir. Pharmacia
- Launched 23 products
- 40 licensing deals
- Built profitable pharma businesses



CSO: John Rothman PhD

- Co-inventor on Bisantrene patents
- Director/Sr Dir at Roche; Exec VP for Science & Operations, Advaxis
- Multiple drug approvals at Roche; outstanding pharmaceutical scientist



Chairman: Bill Garner MD MPH

- US physician and entrepreneur
- Founder of numerous firms: Update Pharma, Urigen, Inverseon, Del Mar Pharmaceuticals, Isla Pharmaceuticals
- Co-inventor on Bisantrene patents



SVP Bus Dev: Gordon Beck

- Experienced pharma executive
- Roche: Global Business Team leader (oncology, ID, CVS, CNS)
- BMS: Director, Cardiovascular Marketing and Business Development

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The year ahead: 2018

Anticipated milestones in 2018

- Commercial
  - First orders for Bisantrene
  - First shipments of Bisantrene to hospitals in France, first NPP revenues
  - NPP process commences in Italy, Korea, Turkey
  - Potential expansion to other countries
- Regulatory & Clinical
  - IND filed for registration trial, protocol finalised, CRO bids/budget finalised
  - CRO appointed to manage trial (multi-site, international)
  - Subject to IND allowance and funding, trial could start before end of 2018
- Other value creation
  - Possible new assets or collaborations to add more value to the Race story
  - Possible new patents filed, new Bisantrene formulations in development

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Summary

- Race's mission is to rescue overlooked drugs, like Bisantrene, that can meet medical needs and save patients' lives
- Our mission also is to create value for our investors by moving Bisantrene towards approval, while generating early revenues and value-building partnerships
- We have made extraordinary progress in our first 18 months, achieving all our operational goals; along the way, we have greatly reduced the risk of the Bisantrene program, completing its manufacturing, establishing its regulatory and clinical pathway, and affirming its market opportunity
- We are now on the cusp of revenues and a pivotal trial, making Race exceptionally well-positioned in 2018

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Contact

Registered office:

L2, 710 Collins St
Melbourne VIC 3008
(03) 9097 1656

plmolloy@raceoncology.com