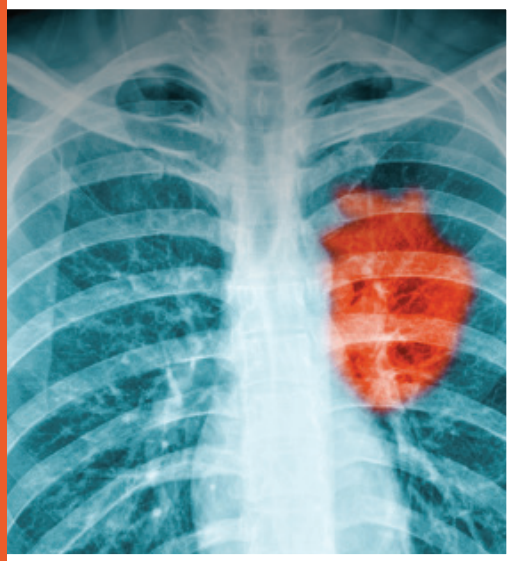
RACE ONCOLOGY

ASX: RAC











Annual Report 2024

At the heart of cancer care

Corporate Directory

Directors

Ms Mary Harney Non-Executive Chair
Dr Peter Smith Executive Director
Mr Phillip Lynch Non-Executive Director

Company Secretary

Peter Webse

Registered office

Level 36, Gateway, 1 Macquarie Place
Sydney NSW 2000

Ph: +61 2 8051 3043
Website: www.raceoncology.com

Auditor

Hall Chadwick WA
283 Rokeby Road
Subiaco WA 6008

Securities Exchange Listing

Race Oncology Limited's shares are listed on the Australian Securities Exchange (ASX Code – RAC)

Share Registry

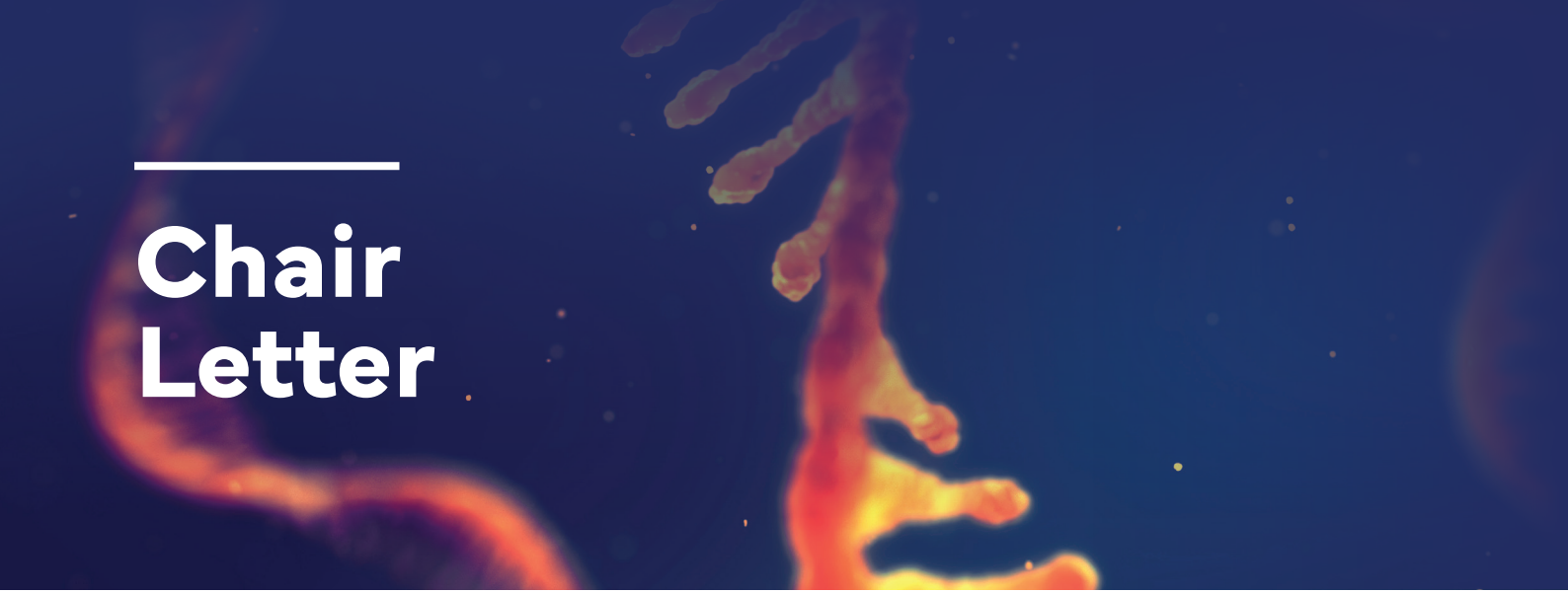
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Chair Letter

Dear fellow shareholders,

It is my privilege to welcome you to Race Oncology's 2024 Annual Report.

The past year saw us make robust progress on our objective of taking the new bisantrene formulation, RC220 into humans for the first time. Focus on this target resulted in a series of milestone achievements, which we touch on below and expand upon later in this report:

We made significant progress in advancing RC220 bisantrene for use in human clinical trials. This saw us complete manufacturing, undertake required toxicology and safety pharmacology studies, and also complete the selection and appointment process for our Contract Research Organisation (CRO), culminating in the appointment of George Clinical International. Each of these activities is complex, time-consuming and significant in its own right;

The release of a robust set of preclinical results showed evidence of the anticancer and cardioprotective activity of bisantrene both on its own and in a number of different combinations with existing, marketed therapies;

The confirmation of various designations from the US Food and Drug Administration (FDA) for RC220 bisantrene, including Orphan Drug Designation and Rare Paediatric Disease Designation – each of these has the potential to confer meaningful regulatory and commercial benefits during development and at the point of approval. The latter also carries with it the potential for Race Oncology (Race) to receive a Priority Review Voucher (PRV) depending on the likely continuation of that scheme;

Strengthened Scientific and Clinical Advisory Boards as we welcomed internationally renowned clinicians and scientists to join Race as consultants, including Associate Professor Erin Howden of the Baker Heart and Diabetes Institute (Melbourne, Australia), who joined our Scientific Advisory Board, whose work in VO2Peak is important to our focus in cardio-oncology. We also established relationships with some of the key scientists and clinicians who were involved in bisantrene's initial development, which has helped us further understand the drug and its provenance. One such example is distinguished oncologist Professor Daniel Von Hoff, who has recently joined our Clinical Advisory Board.

Reflecting on a period of significant clinical progress and key strategic milestones for Race, I'm encouraged that our commitment to advancing cardioprotective anticancer therapies has produced promising results, supported by strong preclinical data and regulatory acknowledgment.

Promising preclinical results

While RC220 bisantrene is being prepared for clinical studies, a series of impressive preclinical results reinforced that we have a unique drug asset in bisantrene, owing to its anticancer and cardioprotective properties.

Preclinical work performed at Oncolines BV yielded results that showed bisantrene's potent cancer-killing activity in 113/143 human cancer cell lines that represented a broad cross-section of the most common haematological (blood/liquid) and solid organ cancers – an impressive outcome. When used in combination, bisantrene improved the cancer-killing activities of doxorubicin, an anthracycline chemotherapeutic and one of the most widely used anticancer drugs, with more than 20 million doses provided to patients around the world each year.

Further preclinical work with Oncolines B.V. (Netherlands) showed that bisantrene, in combination with decitabine displayed enhanced cancer-killing activity across a broad panel of 143 cancer cell lines, representative of solid and blood cancers originating from more than 20 different human tissues. Again, an impressive result.

Preclinical work performed by Labcorp showed that bisantrene, as a single agent treatment, was found to be effective against human multiple myeloma in a mouse model. More importantly, this preclinical result supports further evaluation of bisantrene and carfilzomib combination as a potentially more effective treatment for multiple myeloma.

Readiness for human clinical studies

A considerable amount of effort was invested throughout the year in preparing RC220 bisantrene for its first human clinical trial. The planned Phase 1a/1b trial of RC220 is an 'all comers' Bayesian dose escalation study in solid tumour patients where doxorubicin use is indicated.

With the support of our manufacturing partner Ardena Holding NV, a leading contract development and manufacturing organisation (CDMO), we completed the first current Good Manufacturing Practice (cGMP) batch of RC220 bisantrene, confirming that it meets the quality specifications required for intravenous drug product use in humans.

In addition, working alongside our partners Attentive Science and Agilex Biolabs, we completed Good Laboratory Practice (GLP) toxicology and safety pharmacology studies on time and on budget. This program included valuable dose-finding data that will be used to support regulatory and ethics submissions for the evaluation of RC220 bisantrene in human clinical trials.

We welcomed the appointment of George Clinical as CRO to support the pending Phase 1a/1b trial of RC220 bisantrene, bringing access to a supplementary network of key opinion leaders in clinical oncology.

Acute myeloid leukaemia in the spotlight

Post the reporting period, we were pleased to announce that the RC110 bisantrene Phase 1b/2, the investigator-sponsored trial led by Professor Arnon Nagler at the Chaim Sheba Medical Centre in Israel, had concluded having met its endpoints.

Results showed that six of the 15 evaluable patients (40%) with relapsed or refractory acute myeloid leukaemia (AML) in the Phase 2 efficacy stage responded to RC110 bisantrene in combination with clofarabine and fludarabine (five complete responses, one partial response).

Although the study focused on the original RC110 formulation, the results have stimulated further clinician interest in taking the drug forward in new AML trials. We are in the process of discussing plans in this regard with an Australian investigator in the AML field and will announce them in due course.

Bringing bisantrene back to global attention – supported by our team and investors

I am tremendously proud of the work the Race team has accomplished through the past year. It has reinforced that we have a unique lead asset at hand in bisantrene, and that our team is more than capable of taking it to the next stage.

We have assembled a highly skilled and knowledgeable team that brings a diverse range of expertise to the company. I am delighted to see that Race continues to attract leading professionals in our field to join us on this journey.

I want to extend my deepest gratitude to both our board Mr Phillip Lynch as Non-Executive Director, and Dr Pete Smith as Executive Director and our team for their unwavering dedication and exceptional efforts. Led by Dr Daniel Tillett as Chief Executive Officer (CEO), the team's collective hard work and commitment to excellence have been instrumental in driving our success and advancing our mission.

We also extend our thanks to our investors for their steadfast support and confidence in our vision over the past year. We were once again supported by shareholders through our Bonus Options offer, which raised around 84% of its possible target. This was an excellent result and one which gave us the confidence to confirm we will proceed with the next investigator-sponsored trial in AML. We were enormously grateful to have your support in a time that was otherwise difficult in global capital markets.

At the end of FY2024, Race held $17.19 million in cash and cash equivalents, compared to $21.52 million at the end of FY2023. This change in balance resulted from the funding of Race's research and development program, a significant manufacturing campaign and ongoing operations. We were pleased to receive a $4 million Research & Development (R&D) Tax Incentive Refund from the Australian Taxation Office (ATO) in February 2024.

As we move into FY2025, we are well capitalised to complete our planned studies, and have an exciting program ahead of us.

I wish to sincerely thank you for your ongoing support of Race Oncology.





Mary Harney
Chair
Race Oncology

2024 Key Highlights

July 2023
Race executes an exclusive licence agreement with City of Hope to access intellectual property (IP) covering bisantrene as a potent inhibitor of the human fat mass and obesity-associated protein (FTO).

July 2023
Race enters into an agreement with Ardena Holding NV, to provide current cGMP manufacturing capability for RC220 bisantrene.

August 2023
Changes announced to the team, with Mr Damian Clarke-Bruce resigning as CEO/Managing Director (MD), Dr Pete Smith appointed Executive Director, Dr Daniel Tillett engaged as a consultant, and Dr John Cullity retiring from the Board. Race team revisits strategic updates.

September 2023
Race announced preclinical results, which showed bisantrene's potent cancer-killing activity as a single agent and in combination with doxorubicin, bisantrene was found to significantly enhance cell killing in 85% of cancer cell lines.

September 2023
Race completes manufacturing of bisantrene active pharmaceutical ingredient (API) at Laurus Labs, certified as meeting cGMP quality.

October 2023
Race contracts Attentive Science and Agilex Biolabs to complete the GLP toxicology and safety pharmacology studies required to support human clinical trials using RC220 bisantrene.

October 2023
Race completes a series of preclinical animal and laboratory studies showing that RC220 bisantrene prevents drug precipitation (crystallisation) and phlebitis (vein inflammation or damage) when infused via peripheral veins.

November 2023
Race's collaborators present interim clinical results from an ongoing Investigator-Sponsored Phase 2 AML Trial of RC110 bisantrene at the American Society of Hematology (ASH) 65th Annual Conference.

November 2023
Race receives Certificate of Testing (CoT) issued by Societal CDMO for the first engineering batch of RC220 bisantrene, confirming the drug product meets manufacturing quality specifications.

November 2023
Race provides an updated strategic plan designed to move its lead asset RC220 bisantrene through clinical studies with the aim to build significant shareholder value within the constraints of current capital market conditions.

FY24 saw the preclinical progression of a new formulation of bisantrene, RC220.



November 2023

Race appoints Dr Daniel Tillett as full-time CEO.



February 2024

Race receives $4.0 million via the R&D Tax Incentive from the ATO for FY2023.



March 2024

Race appoints Associate Professor Erin Howden to Race's Scientific Advisory Board. Mr Brendan Brown is appointed as Chief Financial Officer (CFO).



March 2024

Race receives Certificate of Analysis (CoA) for the first current cGMP batch of 2600 vials of RC220 bisantrene, confirming the drug product meets the quality specifications required for human use.



June 2024

Race receives Orphan Drug Designation (ODD) from the FDA for RC220 bisantrene.



June 2024

Race shares results of preclinical work identifying bisantrene as a single-agent treatment, to be effective against human multiple myeloma in a mouse model, and more effective in combination with carfilzomib.



June 2024

Race receives Rare Paediatric Disease Designation (RPDD) from the FDA for RC220 bisantrene for the treatment of paediatric AML.



June 2024

Race appoints George Clinical as CRO to support the clinical development of RC220 bisantrene.



June 2024

Race completes the GLP toxicology and safety pharmacology studies for RC220 bisantrene.



Post reporting period – July 2024

July 2024, Race appoints distinguished oncologist Professor Daniel Von Hoff to the Race Clinical Advisory Board. In the same month, the Phase 1b/2 AML trial successfully concluded at the Chaim Sheba Medical Centre.

Directors' Report

Your directors present their report, together with the financial statements of Race Oncology Limited (the Company, Race or RAC), for the financial year ended 30 June 2024.

Information on directors

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Mary Harney	Non-Executive Chair (appointed as Non-Executive Director 8 February 2021, appointed as Chair 20 April 2023)
Qualifications	IDP-C INSEAD, BSc, BA (Fine Arts), MAICD FIML
Experience	Ms Harney is the Director of specialist consulting firm Mary Harney Advisory providing leadership, governance and strategic advice across innovation industries such as health, biotech and agriculture. She currently also serves as Chair of private Australian biotech Oncology One Pty Ltd, a cancer drug discovery company, and Microbio Limited, a diagnostic development company. Ms Harney was formerly the interim CEO of the $2bn Breakthrough Victoria Fund, CEO of Royal Australasian College of Surgeons, CEO of Gardiner Research Foundation, Chief Operating Officer (COO) and Director of Office of Cancer Research for Peter MacCallum Hospital, and COO of Cerylid Biosciences. Other former roles were with CSL, AMRAD, BIOPROPERTIES and Royal Melbourne Hospital.
Interest in shares and options	Personal & related party relevant interests: • Mary Celicia Harney <MMA Super Fund A/C> - 24,570 Fully Paid Ordinary Shares, 5,501 Piggyback options exercisable at $1.25, expiring 29/05/2026. • Mary Celicia Harney – 110,392 Options exercisable at $3.32, expiring 3/02/2028, 139,516 options exercisable at $1.39, expiring 1/12/2028.
Directorships held in listed entities	None
Peter Smith	Executive Director (appointed as Non-Executive Director 28 June 2023, appointed as Executive Director 24 August 2023)
Qualifications	BA, MSc (Natural Sciences), PhD (Cell Signalling)
Experience	Dr Smith has over 35 years of experience in the pharmaceutical and biotech industry, with a strong focus on therapeutics, especially oncology. He has been involved in projects at all stages from concept to phase III clinical studies. He was previously the CEO of private biotechnology company Myrio Therapeutics, and publicly listed Australian companies Alchemia and AMRAD. Prior to moving to Australia, Dr Smith co-founded and was CFO of Onyvax Ltd, a cancer immunotherapy company based in London. At the start of his career, he was a top-rated Pharmaceuticals Analyst with UBS and HSBC, being involved in numerous transactions including LSE/NASDAQ initial public offerings, fundraisings, and mergers & acquisitions (M&A). His undergraduate degree, master's and doctorate are from the University of Cambridge. He is also currently a Director of MycRx Inc. and Amala Therapeutics.
Interest in shares and options	Personal & related party relevant interests: • 440,019 Options exercisable at $1.39, expiring 1/12/2028.
Directorships held in listed entities	None
Phillip Lynch	Non-Executive Director (appointed as Non-Executive Director 1 June 2020, appointed as CEO & MD 2 September 2020, ceased to be CEO & MD 1 February 2023)
Qualifications	BBus (Mktg), GAICD
Experience	Mr Lynch has a career spanning more than 30 years in the Asia Pacific region with Johnson & Johnson (J&J AP). He is an experienced executive and board director, with a diverse background across corporate development, strategy, financial performance, marketing and governance. In his former role as Vice President of Commercial Growth and Innovation J&J AP, 2016 - 2019, Mr Lynch partnered with the M&A team to drive the integration and growth of acquired businesses. He retired from J&J AP in 2019 following the >$2b acquisition and integration of a significant Japanese business. He is currently the Chair of Consumer Health Products Australia.

Information on directors (cont'd)

Phillip Lynch (cont'd)

Interest in shares and options	Personal & related party relevant interests: • 2,000,000 Options exercisable at $2.65 expiring 29/11/2025. • Lynch Eventide Holdings Pty Ltd <Lynch Family A/C> - 450,606 Fully Paid Ordinary Shares, 64,371 Piggyback options exercisable at $1.25, expiring 29/05/2026.
Directorships held in listed entities	None

Damian Clarke-Bruce	MD and CEO (appointed 1 February 2023, resigned 21 August 2023)
Qualifications	BSpSc, MSc, PGd RC, PGd GenMg
Experience	Mr Clarke-Bruce is an experienced international healthcare executive, having worked in the biopharmaceutical and healthcare industries for over 25 years. Prior to joining Race, he served as the Global/US Executive Director of Marketing in Rare Disease for Pharming NV, a Netherlands/US Biopharma Company. Mr Clarke-Bruce's career has also spanned multiple global pharmaceutical companies, including Celgene, Novartis & Biogen.
Interest in shares and options	Personal & related party relevant interests: • 6,818 Fully Paid Ordinary Shares held at date of resignation 21 August 2023. • 755,671 Options exercisable at $3.30 lapsed on date of resignation 21 August 2023.
Directorships held in listed entities	None

John Cullity	Non-Executive Director (appointed as Non-Executive Director 6 April 2018, ceased to be Chair 20 April 2023, and retired as Non-Executive Director 21 August 2023)
Qualifications	MBBS, MRCP, MSc (Econs), MBA
Experience	Dr Cullity is MD at BioSynergy Partners, a New York and Melbourne based advisory recently spun out of Torreya. He additionally serves on the Boards of several life sciences companies including Ceramedix (seeded by Torreya). At Torreya, he provided strategic advisory on M&As, Partnering and Financing to life-science companies worldwide. Prior to joining Torreya, he was a senior member of the Business Development team at Sanofi Pharmaceuticals.
Interest in shares and options	Personal & related party relevant interests: • Biosynergy Partners Pty Ltd – 6,102,194 Fully Paid Ordinary Shares held at date of resignation 21 August 2023. • Craganorig Holdings, LLC – 2,000,000 Fully Paid Ordinary Shares held at date of resignation 21 August 2023.
Directorships held in listed entities	None

Directors' Report

Information on officer holders and Key Management Personnel

Office Holders and Key Management Personnel (KMP) have been in their roles since the start of the financial year to the date of this report unless otherwise stated.

Peter Webse	Company Secretary
Qualifications	BBus, FGIA, FCIS, FCPA.
Experience	Mr Webse has over 30 years' company secretarial experience and is the director of Governance Corporate Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services.
Daniel Tillett	CEO (appointed 22 November 2023)
Qualifications	BS (HonsI), PhD (Molecular Genetics & Biochemistry)
Experience	Dr Tillett is the CEO and founder of Nucleics Pty Ltd, a private Australian biotechnology company producing and selling world-leading DNA sequencing software to the genomics industry. Nucleics SAAS (software as a service) genomics tools are used in more than 30 countries and at over 250 companies and research institutions. Dr Tillett was previously an Executive Director and Chief Scientific Officer (CSO) at Race from 17 September 2019 and 1 October 2019, respectively and resigned from both roles on 21 March 2023. Dr Tillett was a Senior Lecturer within the School of Pharmacy at La Trobe University where he taught and researched in the areas of pharmacy, phage therapy, virology, microbiology, bioinformatics and cancer. Dr Tillett's PhD on the molecular genetics and biochemistry of microcystin toxin production was awarded by the University of New South Wales in 2000. He has more than 40 scientific publications and granted patents in molecular biology, virology, microbiology, genetics and biochemistry.
Interest in shares and options	Personal & related party relevant interests: • 17,267,615 Fully Paid Ordinary Shares, 2,448,342 Piggyback options exercisable at $1.25, expiring 29/05/2026. • 2,000,000 Options exercisable at $2.65, expiring 29/11/2025. • 1,534,712 Options exercisable at $1.45, expiring 29/11/2028. • 3,061,101 Options exercisable at $4.25, expiring 29/11/2028.
Directorships held in listed entities	Simble Solutions Limited (Non-Executive Director appointed 16 February 2022, resigned 3 July 2023)
Michelle Rashford	Chief Medical Officer (CMO) (appointed 1 July 2023)
Qualifications	BMedSci, MBBS
Experience	Dr Rashford is an internationally experienced biopharmaceutical executive and former physician, with expertise in the successful development and commercialisation of pharmaceuticals across oncology, virology, and immunology. Her 30 years of drug development experience spans large pharmaceuticals to smaller biotech companies and includes clinical development, medical and regulatory affairs, and drug commercialisation. Prior to joining Race, Dr Rashford worked for Japanese Pharmaceutical company Kyowa Kirin, where she was the Head of Global Clinical Sciences. Prior to her role at Kyowa Kirin, Dr Rashford was the Senior Vice President of Clinical Science at Adlai Nortye Biopharma, where she successfully grew the US Clinical Development team and prepared for the company's Phase III trial. She has also held senior roles within global pharmaceutical companies, including five years at Bristol-Myers Squibb and close to 20 years at Roche in a variety of national and global clinical development roles.
Interest in shares and options	Personal & related party relevant interests: • 1,116,083 Options exercisable at $1.95, expiring 1/11/2028.
Directorships held in listed entities	None

Principal activities

Race Oncology (ASX: RAC) is an Australian Securities Exchange (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 preclinical data demonstrating an anticancer effect and less cardiotoxicity over certain anthracyclines, such as doxorubicin.

Race is advancing a reformulation of 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 bisantrene as a low-intensity treatment for AML.

Race is investigating the effect of bisantrene on the m^6A ribonucleic acid (RNA) pathway, following independent research published by the City of Hope identifying bisantrene as a potent inhibitor of FTO. Dysregulation of the m^6A RNA pathway has been described in numerous peer reviewed studies as 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.

Outlook

At the time of writing, Race is advancing RC220 bisantrene into the clinic as an anticancer and cardioprotective agent in combination with doxorubicin in solid tumour patients. Race is also in discussion to support an investigator sponsored trial of RC220 bisantrene in AML patients in combination with decitabine.

After the successful raise of $5 million in June 2024, via a strongly supported bonus option issue, Race is well funded to undertake both a company sponsored Phase 1a/b trial in solid tumours and an investigator sponsored Phase 1/2 trial in AML. All preclinical and manufacturing activities required for the use of RC220 in these human clinical trials were completed in FY2024. The company looks forward to updating our shareholders on the progress towards ethics and governance approval, site initiation and the first patient on trial in the coming months.

Overview of company performance

The table below sets out information about Race's earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

	2024 $	2023 $	2022 $	2021 $	2020 $
Net profit after tax (NPAT) ($'m)	(13.82)	(9.92)	(11.20)	(6.34)	(3.85)
Share price at year end ($)	1.82	1.23	1.95	3.67	0.70
Basic earnings per share (EPS) (cents)	(8.40)	(6.17)	(7.28)	(4.84)	(3.60)
Total dividends (cents per share)	-	-	-	-	-

Meetings of directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' meetings	
	Number eligible to attend	Number attended
Mary Harney	11	11
Phillip Lynch	11	11
Peter Smith	11	11
Damian Clarke-Bruce	1	1
John Cullity	1	-

Directors' Report

Operating results

The operating loss after providing for income tax amounted to $13,819,336 (2023: loss of $9,923,425); net cash used in operating activities was $9,545,579 (2023: $10,651,551).

Dividends paid or recommended

No dividends were paid or are payable for the financial year (2023: Nil).

Review of operations

The following section summarises ASX updates from the 2024 financial year:

On 10 July 2023, Race executed an exclusive licence agreement with City of Hope to access IP identifying bisantrene as a potent inhibitor of the human FTO. The Agreement ensures Race's exclusive access to that IP.

On 12 July 2023, Race announced that it had entered into an agreement with a leading global CDMO, Ardena Holding NV, to provide current cGMP manufacturing capability for Race's proprietary intravenous formulation of bisantrene, RC220.

On 22 August 2023, Race announced management changes with Mr Damian Clarke-Bruce resigning as CEO & MD and Dr John Cullity retiring from the Race Board. Dr Pete Smith was appointed an Executive Director, and former CSO Dr Daniel Tillett was engaged as a consultant. The Race Board announced a strategic review to ensure the delivery of research and clinical milestones within current financial resources.

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 found to significantly enhance cell killing in 85% of cancer cell lines.

On 27 September 2023, Race announced the successful production of the first batch of GMP quality API sufficient for RC220 bisantrene cGMP drug product manufacturing for clinical trials.

On 5 October 2023, Race announced that it had contracted Attentive Science and Agilex Biolabs to complete the GLP toxicology and safety pharmacology studies required to support human clinical trials of RC220 bisantrene.

On 17 October 2023, Race announced that it had successfully completed a series of preclinical animal and laboratory studies (ASX Announcement: 28 September 2022) showing that RC220 bisantrene prevents drug precipitation (crystallisation) and phlebitis (vein inflammation or damage) when infused via peripheral veins.

On 6 November 2023, Race shared interim clinical results from an ongoing investigator-sponsored Phase 2 trial of RC110 bisantrene in combination with fludarabine and clofarabine (Bis/Clo/Flu) in relapsed or refractory AML patients at the prestigious ASH 65th Annual Conference held from 9-12 December 2023. In this trial, six of the 15 evaluable patients (40%) responded to Bis/Clo/Flu treatment (five complete responses, one partial response), with three of the clinical responders having active extramedullary disease. Five of the six treatment-responsive patients were able to be bridged to a stem cell transplant within one to three months of treatment.

On 9 November 2023, Race announced that a CoT has been issued by Societal CDMO for the first engineering batch of RC220, confirming that the drug product meets manufacturing quality specifications. The CoT clears RC220 bisantrene for use in GLP toxicology and safety pharmacology studies (ASX Announcement: 5 October 2023) and significantly de-risks the RC220 bisantrene current cGMP campaign underway at Ardena Holding NV (ASX Announcement: 12 July 2023).

On 25 November 2023, Race announced an updated strategic plan designed to move RC220 bisantrene through clinical studies that aim to build significant shareholder value within the constraints of current capital market conditions.

On 25 November 2023, Race announced Dr Daniel Tillett had been appointed full-time CEO. Dr Tillett requested that 50% of his salary package be provided as options with an exercise price of $4.25, above the Race all-time high share price.

On 27 February 2024, Race announced that it had received $4.0 million via the R&D Tax Incentive from the ATO for FY2023.On 14 March 2024, Race announced the appointment of Associate Professor Erin Howden of the Baker Heart and Diabetes Institute (Melbourne) to Race's Scientific Advisory Board.

On 18 March 2024, Race announced the appointment of Mr Brendan Brown as CFO of Race, effective from Monday 1 April 2024. Brendan is a Partner and Director of Prime Accounting & Business Advisory Pty Ltd, part of the Prime Financial Group (ASX:PFG).

Review of operations (cont'd)

On 26 March 2024, Race announced that a CoA was issued for the first current cGMP batch of 2600 vials of RC220 bisantrene, confirming that the drug product meets the quality specifications required for human use.

On 11 June 2024, Race announced the FDA had extended ODD to RC220 bisantrene.

On 13 June 2024, Race shared results of preclinical work identifying bisantrene, as a single agent treatment, to be effective against human multiple myeloma in a mouse model, and more effective in combination with the standard of care multiple myeloma proteasome inhibitor, carfilzomib.

On 18 June 2024, Race announced that the FDA had extended RPDD to RC220 bisantrene for the treatment of childhood (paediatric) subtypes of AML.

On 20 June 2024, Race announced the appointment of the CRO, George Clinical, to support the clinical development of RC220 bisantrene.

On 26 June 2024, Race announced that the GLP toxicology and safety pharmacology studies have been successfully completed for RC220 bisantrene. No unexpected or unacceptable toxicities were observed, and the completed data package supports the use of RC220 bisantrene in human clinical trials.

Our goal remains to progress a range of clinical programs that demonstrate the efficacy and utility of RC220 bisantrene with the aim of achieving a commercial outcome for shareholders via sale, partnerships, or licensing to a scaled pharmaceutical company.

Significant events after the reporting date

On 2 July 2024, Eminent Professor Dr Daniel Von Hoff joined Race's Clinical Advisory Board to advise on the clinical development of RC220 bisantrene. Prof Von Hoff is a world-leading expert in early clinical trials and translational research with extensive clinical experience using bisantrene. The appointment of Prof Von Hoff provides Race with a rich insight into the historical use of bisantrene and valuable experience to aid the clinical development of RC220 bisantrene.

On 30 July 2024, Race announced the Phase 1b/2 trial of RC110 bisantrene in relapsed or refractory acute myeloid leukaemia was successfully concluded by the investigators at the Sheba Medical Centre, Israel. In patients with highly advanced disease, 40% showed a response to bisantrene combination treatment (5 complete responses and 1 partial response), surpassing the trial's predefined efficacy goal of at least 3 complete responses. The findings of this study strongly support Race's intention to support a new Phase 1/2 investigator sponsored AML trial using RC220 bisantrene.

Since 1 July 2024, shareholders have exercised Piggyback options with an exercise price of $1.25 per share, resulting in 83,433 new ordinary shares being issued.

Except for the above, no other matters or circumstances have arisen since the end of the financial year that significantly affected or could significantly affect the operations of Race, the results of those operations or the state of affairs of Race in future financial years.

Future developments, prospects and business strategies

Our goal remains to progress a range of clinical programs that demonstrate the efficacy and utility of RC220 bisantrene with the aim of achieving a commercial outcome for shareholders via sale, partnerships, or licensing to a scaled pharmaceutical company.

Key risk & uncertainties

Investing in Race securities involves a degree of risk and uncertainty. The current and future performance of the company may be affected by changing circumstances, external uncertainties and risks not presently known. You should carefully consider the risks and uncertainties described below that may affect our business and potentially the price of our securities could decline and compromise your investment.

Financial condition

- The company's ability to continue as a going concern is dependent on its ability to secure additional working capital. In the future, however, there is a potential risk that the company may be unable to secure adequate capital in the current environment for health & life sciences to sufficiently fund its core operations, which will affect its ability to continue business operations.

Key risk & uncertainties (cont'd)

Financial condition (cont'd)

- The company manages cash flow in line with available funds. Race is a clinical stage company and it is expected that the company will continue to incur operating losses for the foreseeable future before a commercial partnership, licence or acquisition is completed.

Business risks

- As a clinical stage company, and in line with industry practice, Race relies on external research institutions to conduct clinical trials. There is a potential risk that Race may not be able to secure and maintain its ongoing service to conduct future trials, as they may have limitations or alternative commercial demands that will impact Race's ability to continue
- R&D for our clinical trials.
- Clinical trials are an expensive and time-consuming activity. Additionally, the outcome of clinical trial activities is not guaranteed. Clinical development, therefore, carries a high level of inherent risk, and setbacks may occur. This could adversely affect the business operations of the company.

Skilled and experienced staff

- The success of the company depends significantly on the retention of key personnel and the ability to recruit future management and technical personnel within the sector who are skilled and in high demand.
- The company is managing this challenge by directing significant resources to the recruitment, onboarding, performance guidance, team upskilling and education of existing and new staff. In addition, the company regularly reviews the market dynamics to ensure staff are offered competitive salary packages.

Commercialisation

- A commercialisation exit strategy for the company will depend on demonstrating a clear regulatory pathway, with data generation or value inflection points being achieved. Progression is often dependent on government approvals. The lack of certainty as to the response of regulatory bodies presents an external risk.
- If the company's R&D and clinical trial program does not demonstrate the preclinical and clinical efficacy, safety, and tolerability of our products, it will be difficult to secure a commercial deal.

Intellectual property

- The success of the company depends on the ability to secure and protect IP, proprietary technology, to operate without infringing third parties' proprietary rights and obtaining market exclusivity for the company's products. An IP position is not guaranteed, is invariably time delineated and may be challenged in court despite the best guidance and preparation.

Environmental regulations

The company aims to comply with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known breaches of any environmental regulations.

Proceedings on behalf of company

No person has applied for leave of court under Section 237 of the Corporations Act 2001 to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Unissued shares under option

At the date of this report, the unissued ordinary shares of Race Oncology Limited under option are as follows:

Grant date	Date of expiry	Exercise price	No. of shares under option
05 December 2019	05 December 2024	$0.18	840,000
28 January 2020	23 January 2025	$0.275	2,400,000
30 November 2020	29 November 2025	$2.650	4,000,000
1 July 2021	1 July 2026	$4.90	222,219
12 July 2021	12 July 2026	$4.76	270,000
03 December 2021	03 December 2026	$4.77	112,490
15 August 2022	22 June 2027	$2.46	132,000
15 August 2022	15 August 2027	$3.17	111,000
03 March 2023	03 March 2028	$3.32	110,392
01 November 2023	01 November 2028	$1.95	1,116,083
01 November 2023	01 November 2028	$2.23	489,408
21 November 2023	31 January 2028	$2.92	166,450
21 November 2023	24 October 2028	$1.32	308,247
29 November 2023	29 November 2028	$1.45	1,534,712
29 November 2023	29 November 2028	$4.25	3,061,101
1 December 2023	1 December 2028	$1.39	139,516
1 December 2023	1 December 2028	$1.39	440,019
December 2023 to June 2024 - Various	29 May 2026	$1.25	19,957,368
			35,411,005

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate. During the year that ended 30 June 2024, the Company issued 7,234,923 fully paid ordinary shares on exercise of various options (2023: 4,065,302 fully paid ordinary shares).

Indemnification and insurance of officers and auditors

The Company indemnifies each of its Directors, Officers and Company Secretary. The Company indemnifies each Director or Officer to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a Director or Officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or contravention of the Corporations Act 2001 (Cth). The Company must also use its best endeavours to insure a Director or Officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

During the year the Company paid insurance premiums to insure Directors and Officers against certain liabilities arising out of their conduct while acting as an officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

Non-audit services

There were no non-audit services provided by the Company's auditor during the year.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 20 of the financial report.

Directors' Report

Remuneration report (audited)

This remuneration report for the year ended 30 June 2024 outlines the remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 (Cth), as amended (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
4. Non-Executive Director fee arrangements
5. Company performance, shareholder wealth and Directors' and Executives' remuneration
6. Details of remuneration
7. Additional disclosures relating to options and shares
8. Other transactions and balances with KMP and their related parties

1. Introduction

Key Management Personnel (KMP) have authority and responsibility for planning, directing and controlling the major activities of the Group. KMP comprises the directors of the Company and identified key management personnel.

Key management personnel covered in this report are as follows:

Name	Status	Appointed as a Director
Mary Harney	Non-Executive Chair	8 February 2021 (appointed as Chair 20 April 2023)
Damian Clarke-Bruce	MD and CEO	1 February 2023 (resigned 21 August 2023)
Phillip Lynch	Non-Executive Director	1 June 2020 (ceased to be CEO & MD 1 February 2023)
Peter Smith	Executive Director	28 June 2023 (appointed as Executive Director 24 August 2023)
John Cullity	Non-Executive Director	6 April 2018 (ceased to be Chair 20 April 2023, resigned as Director 21 August 2023)
Daniel Tillett	CEO	17 September 2019 (resigned as Director & CSO 21 March 2023, appointed as CEO 22 November 2023)
Michelle Rashford	CMO	Not applicable (N/A) (appointed as CMO 1 July 2023)

Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given trends in comparative companies both locally and internationally and the objectives of the Company's compensation strategy.

2. Remuneration governance

The Directors believe the Company is not currently of a size, nor are its affairs of such complexity as to warrant the establishment of a separate remuneration committee. Accordingly, all matters are considered by the full Board of Directors in accordance with a remuneration committee charter.

During the financial year, the Company did not engage any remuneration consultants.

Remuneration report (audited) (cont'd)

3. Executive remuneration arrangements

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creating value for shareholders. Compensation packages may include a mix of fixed compensation, equity-based compensation, short-term incentives (STI) and employer contributions to superannuation funds. Shares and options may only be issued to directors subject to approval by shareholders in a general meeting.

At the date of this report the Company had 3 appointed executives, being Dr Daniel Tillett as CEO (appointed 22 November 2023), Dr Peter Smith as Executive Director (appointed 24 August 2023) and Dr Michelle Rashford as CMO (appointed 1 July 2023). Mr Damian Clarke-Bruce stepped down as MD and CEO on 21 August 2023. The terms of all executive Employment Agreements in place during the financial year are summarised below.

Executive name	Remuneration
Dr Daniel Tillett (appointed 22 November 2023)	The terms of the Executive Employment Agreement were as follows: • The agreement is for a term of three years from commencement date. • The annual salary is set at $237,500 plus superannuation. • Performance Bonus STI – 40% target subject to Board assessment of key performance indicator (KPI) delivery. • Issue of 1,534,712 options (Tranche 1) with an exercise price of $1.45 and an expiry date of 29 November 2028. The options vest 1/3rd at 12 months and the balance equally over months 13-36. • Issue of 3,061,101 options (Tranche 2) with an exercise price of $4.25 and an expiry date of 29 November 2028. The options vest equally on a monthly basis over months 1-36. • The notice period is 3 months.
Dr Peter Smith (appointed 24 August 2023)	The terms of the Executive Employment Agreement were as follows: • The agreement was initially intended for the short term until a new CEO was hired. The agreement has been continued with the company's need for additional Executive support. • The annual salary is set at $190,000 plus superannuation (0.4 full time equivalent (FTE) assumption). • A discretionary bonus of $38,000 was determined and approved by the Board for Peter's additional support over and above his 0.4 FTE for the period ended 30 June 2024. • Options were issued to Peter in accordance with his Non-Executive Director contract as follows: Issue of 440,019 options with an exercise price of $1.39 and an expiry date of 1 December 2028. The options vest 1/3rd at 12 months and the balance equally over months 13-36. • The notice period is 7 Days.
Mr Damian Clarke-Bruce (resigned 21 August 2023)	The terms of the Executive Employment Agreement were as follows: • The agreement is for a term of three years from commencement date. • The annual salary is set at $475,000 plus superannuation. • Performance Bonus STI – 40% target subject to Board assessment of KPI delivery. • Issue of 755,671 options with an exercise price of $3.30 and an expiry date of 3 March 2028. The options vest 1/3rd at 12 months and the balance equally over months 13-36. • Cessation of 755,671 options on 21 August 2023 as a result of resignation. • The notice period is 3 months.
Dr Michelle Rashford (appointed 1 July 2023)	The terms of the Executive Employment Agreement were as follows: • The agreement will continue unless terminated earlier in accordance with the agreement. • The annual salary is set at $370,000 plus superannuation. • Performance Bonus STI – 40% target subject to Board assessment of key performance indicator (KPI) delivery. • Issue of 1,116,083 options with an exercise price of $1.95 and an expiry date of 1 November 2028. The options vest 1/3rd at 12 months and the balance equally over months 13-36. • The notice period is 3 months.

Remuneration report (audited) (cont'd)

At this stage, the Board does not consider the Company's earnings, or earnings related measures, to be an appropriate KPI. In considering the relationship between the Company's remuneration policy and the consequences for the Company's shareholder wealth, changes in share price are analysed as well as measures such as successful completion of business development, clinical and corporate activities.

4. Non-Executive Director fee arrangements

The Board policy is to remunerate Non-Executive Directors at a level comparable to other companies for time, commitment, and responsibilities. Non-executive Directors do not receive performance-related compensation. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to Non-Executive Directors.

The Non-Executive Directors have or may be provided with options that are meant to incentivise the Non-Executive Directors. The board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice will be sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is presently limited to an aggregate of $500,000 per annum and any change is subject to approval by shareholders at the General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. Fees for the Non-Executive Directors for the financial year were $233,908 (2023: $278,970) and cover main Board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company.

At the Annual General Meeting held on 27 November 2023, 93.42% of the vote received supported the adoption of the remuneration report for the year ended 30 June 2023.

5. Company performance, shareholder wealth and Directors' and Executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. This will be facilitated through the issue of the Employee Incentive Option ("Plan") to Directors and Executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. The Plan will provide ongoing incentives to Eligible Participants, Eligible Participants include;

a) Director (Executive or Non-Executive) of the Company;

b) a full-time or part-time employee of the Company; and

c) a casual employee or contractor of the Company to the extent permitted by the class order.

The purpose of the Plan is to:

a) assist in the reward, retention and motivation of Eligible Participants;

b) link the reward of Eligible Participants to the performance and creation of shareholder value;

c) Executive remuneration arrangements (cont'd)

d) align the interests of Eligible Participants more closely with the interests of Shareholders by providing an opportunity for Eligible Participants to receive Shares;

e) provide greater incentive for Eligible Participants to focus on the Company's longer-term goals; and

f) provide Eligible Participants with the opportunity to share in any future growth in value of the Company.

The objective of the Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of Eligible Participants.

The remuneration policy includes an employee incentive option plan. The Board of the Company may grant options under the employee share option plan (ESOP options) to any full or part-time employees or Director of the Company, and in accordance with, any necessary Australian Securities & Investments Commission (ASIC) relief being obtained, a casual employee to contractor of the Company. Each ESOP option will be issued for nil cash consideration and is exercisable into on share ranking equally in all respects with the existing issued shares.

Remuneration report (audited) (cont'd)

6. Details of remuneration

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

Table of benefits and payments

30 June 2024	Short term salary, fees & commissions $	Post employment superannuation $	Other/Bonus [1&4] $	Share-based payment[2] $	Total $	Performance based remuneration
Directors						
Mary Harney	**140,000**	**15,340**	**28,000**[4]	**122,704**	**306,044**	**9%**
Damian Clarke-Bruce	**337,308**	**27,500**	**-**	**(263,548)**[3]	**101,260**	**-**
Phillip Lynch	**70,000**	**14,531**	**-**	**17,736**	**102,267**	**-**
Peter Smith	**168,867**	**18,575**	**38,000**	**102,276**	**327,718**	**12%**
John Cullity	**11,667**	**-**	**-**	**-**	**11,667**	**-**
KMP						
Daniel Tillett	**144,839**	**15,346**	**57,363**	**900,609**	**1,118,157**	**5%**
Michelle Rashford	**370,000**	**27,191**	**74,000**	**233,617**	**704,808**	**10%**
	1,242,681	**118,483**	**197,363**	**1,113,394**	**2,671,921**	

30 June 2023	Short term salary, fees & commissions $	Post employment superannuation $	Other/Bonus[1] $	Share-based payment[2] $	Total $	Performance based remuneration
Directors						
Mary Harney	79,639	10,462	20,000	38,454	148,555	13%
Damian Clarke-Bruce	197,917	20,781	79,167[4]	263,547	561,412	14%
Phillip Lynch	233,675	27,500	84,000[4]	204,847	550,022	15%
Peter Smith	575	60	-	-	635	-
John Cullity	124,167	-	-	-	124,167	-
Daniel Tillett	332,367	27,500	126,000[4]	222,583	708,450	18%
Daniel Sharp	37,121	3,898	-	-	41,019	-
KMP						
David Fuller	172,770	11,450	-[4]	(746,920)[3]	(562,700)	-
	1,178,231	101,651	309,167	(17,489)	1,571,560	

1. As per Mr Lynch, Dr Smith, Dr Tillett and Dr Rashford's employee agreements, the annual STI bonuses were capped at 40% of Salary. The above amounts represented incentive bonus accrual, super above threshold (converted to bonus), termination payments and additional payments for out-of-scope work. As per Mr Clarke-Bruce's employee agreement, the Performance Bonus STI was 40% target, subject to Board assessment of KPI delivery.
2. The value of the options granted to key management personnel as part of their remuneration is calculated as at the grant date using the Black Scholes method. The amounts disclosed as part of the remuneration for the financial year were issued and vested within the period. The fair value of the options is amortised over the vesting period.
3. Mr Clarke-Bruce resigned on 21 August 2023 and forfeited his unlisted options. Any share-based payment expense previously recognised under Australian Accounting Standards Board (AASB) 2 in respect of the unlisted options has been reversed.
4. The value of bonus payments represents the accrued amounts as at 30 June 2024 for each respected personnel and not the actual amounts paid during the 2024 financial year.

Remuneration report (audited) (cont'd)

7. Additional disclosures relating to options and shares

Options awarded, vested and lapsed during the year

The table below discloses the number of share options granted, vested or lapsed during the year. Share options do not carry any voting or dividend rights, and can only be exercised once the vesting conditions have been met, prior to expiry.

KMP Shareholdings

30 June 2024	Balance at beginning of year No.	Granted as remuneration No.	Exercised No.	Other changes No.	Balance at the end of year No.
Directors					
Mary Harney	**23,400**	**-**	**1,170**	**-**	**24,570**
Damian Clarke-Bruce	**6,818**	**-**	**-**	**(6,818)**[1]	**-**
Phillip Lynch	**429,149**	**-**	**21,457**	**-**	**450,606**
John Cullity	**8,102,194**	**-**	**-**	**(8,102,194)**[1]	**-**
Peter Smith	**-**	**-**	**-**	**-**	**-**
KMP					
David Fuller	**1,899**	**-**	**-**	**(1,899)**[1]	**-**
Daniel Tillett	**16,000,000**	**-**	**816,114**	**451,501**	**17,267,615**
Michelle Rashford	**-**	**-**	**-**	**-**	**-**
	24,563,460	**-**	**838,741**	**(7,659,410)**	**17,742,791**

1. Change due to resignation/retirement of Directors/KMP.

The table below discloses the number of shares options granted, vested or lapsed during the year. Share options do not carry voting or dividend rights and can only be exercised once the vesting conditions have been met.

	Financial year	Options awarded during the year No.	Award date	Fair value per option at award date ($)	First vesting date	Exercise price	Expiry date	No. vested during the year	No. lapsed during year	Value of options granted during the year	Value of options exercised during the year
Mary Harney	2023	-	3/03/2023	$1.46	3/03/2024	$3.32	3/03/2028	45,997	-	-	-
Mary Harney	2024	139,516	27/11/2023	$0.75	26/11/2024	$1.39	1/12/2028	-	-	$79,328	-
Damian Clarke-Bruce	2023	-	3/03/2023	$1.46	3/03/2024	$3.30	3/03/2028	-	(755,671)	-	-
Phillip Lynch	2021	-	30/11/2020	$0.91	30/11/2021	$2.65	29/11/2025	277,788	-	-	-
Peter Smith	2024	440,019	27/11/2023	$0.41	26/11/2024	$1.39	1/12/2028	-	-	$250,192	-
Daniel Tillett	2021	-	30/11/2020	$0.91	30/11/2021	$2.65	29/11/2025	-	-	-	-
Daniel Tillett	2024	1,534,712	22/11/2023	$0.46	21/11/2024	$1.44	29/11/2028	-	-	$833,602	-
Daniel Tillett	2024	3,061,101	22/11/2023	$0.23	22/12/2023	$4.25	29/11/2028	595,214	-	$1,075,057	-
Michelle Rashford	2024	1,116,083	16/10/2023	$0.50	15/11/2024	$1.95	1/11/2028	-	-	$478,705	-

Shares issued on exercise of options

The table below discloses the number of shares issued on exercise of options at 30 June 2024.

	Shares issued	
30 June 2024	**No.**	**Paid per share**
Mary Harney	1,170	$0.75
Phillip Lynch	21,457	$0.75
Daniel Tillett	816,144	$0.75

Remuneration report (audited) (cont'd)

The number of options held by each key management person of the Group during the financial year is as follows:

30 June 2024	Balance at beginning of year No.	Granted as remuneration No.	Exercised No.	Other changes No.	Balance at the end of year No.	Vested during the year No.	Vested and exercisable No.
Directors							
Mary Harney	**110,392**	**139,516**	**-**	**5,501**[1]	**255,409**	**45,997**	**45,997**
Damian Clarke-Bruce	**755,671**	**-**	**-**	**(755,671)**[2]	**-**	**-**	**-**
Phillip Lynch	**2,000,000**	**-**	**-**	**64,371**[1]	**2,064,371**	**277,788**	**2,000,000**
Peter Smith	**-**	**440,019**	**-**	**-**	**440,019**	**-**	**-**
KMP							
Daniel Tillett	**2,000,000**	**4,595,813**	**-**	**2,448,342**[1]	**9,044,155**	**595,214**	**2,595,214**
Michelle Rashford	**-**	**1,116,083**	**-**	**-**	**1,116,083**	**-**	**-**
	4,866,063	**6,291,431**	**-**	**1,762,543**	**12,920,037**	**918,999**	**4,641,211**

1. Piggyback options exercisable at $1.25, expiring 29 May 2026.
2. Cessation of options on 21 August 2023 as a result of resignation.

8. Other transactions and balances with KMP and their related parties

Key management personnel - refer to Note 3 and share based payment arrangements are at Note 17.

There are no other transactions with KMP and their related parties during the year.

End of Audited Remuneration Report

Signed in accordance with a resolution of the Directors:



Chair: Mary Harney

Dated: 27 August 2024

Auditor's Independence Declaration

HALL CHADWICK

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Race Oncology Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

HALL CHADWICK WA AUDIT PTY LTD

D M BELL CA
Director

Dated this 27th day of August 2024
Perth, Western Australia

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	Note	2024 $	2023 $
Interest received		**832,577**	591,839
Other income	4	**4,003,470**	3,134,381
Administrative expenses		**(38,933)**	(84,659)
Accounting and audit fees		**(271,174)**	(165,041)
Amortisation	12	**(281,196)**	(281,196)
Business development and marketing		**(431,229)**	(323,292)
R&D manufacturing and distribution		**(2,613,555)**	(2,026,474)
Corporate advice expenses	5	**(370,347)**	(1,010,395)
Non-Executive Director fees		**(233,908)**	(264,260)
Employee benefits expense		**(886,375)**	(505,132)
Research and development expense	5	**(10,977,104)**	(7,595,567)
Share based payment expense	17	**(1,431,305)**	(590,504)
Share registry expense		**(167,341)**	(39,481)
Travel and accommodation		**(130,099)**	(101,170)
Other expenses	5	**(822,817)**	(662,474)
Loss from ordinary activities before income tax expense		**(13,819,336)**	(9,923,425)
Income tax expense relating to ordinary activities	8	**-**	-
Loss from ordinary activities after income tax expense		**(13,819,336)**	(9,923,425)
Other comprehensive income/(loss) for the year			
Foreign currency translation (net of tax)		**5,446**	(5,796)
Total comprehensive loss for the year attributable to members of the Company		**(13,813,890)**	(9,929,221)
Basic loss per share (cents per share)	7	**(8.40)**	(6.17)
Diluted loss per share (cents per share)	7	**(8.40)**	(6.17)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

as at 30 June 2024

	Note	2024 $	2023 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	**17,188,827**	21,520,368
Trade and other receivables	10	**105,693**	1,704,099
Other assets	11	**122,094**	320,314
TOTAL CURRENT ASSETS		**17,416,614**	23,544,781
NON-CURRENT ASSETS			
Intangible assets	12	**2,811,959**	3,093,155
TOTAL NON-CURRENT ASSETS		**2,811,959**	3,093,155
TOTAL ASSETS		**20,228,573**	26,637,936
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**1,753,244**	1,071,866
Provisions	14	**114,925**	79,929
TOTAL CURRENT LIABILITIES		**1,868,169**	1,151,795
NON-CURRENT LIABILITIES			
Provisions	14	**48,256**	-
TOTAL NON-CURRENT LIABILITIES		**48,256**	-
TOTAL LIABILITIES		**1,916,425**	1,151,795
NET ASSETS		**18,312,148**	25,486,141
EQUITY			
Issued and unissued capital	15	**66,947,929**	61,709,155
Reserves	16	**8,782,377**	7,375,808
Accumulated losses		**(57,418,158)**	(43,598,822)
TOTAL EQUITY		**18,312,148**	25,486,141

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

	Note	Issued capital $	Reserves $	Accumulated losses $	Total $
Balance at 1 July 2023		**61,709,155**	**7,375,808**	**(43,598,822)**	**25,486,141**
Loss for the year		**-**	**-**	**(13,819,336)**	**(13,819,336)**
Other comprehensive income		**-**	**5,446**	**-**	**5,446**
Total comprehensive income for the year		**-**	**5,446**	**(13,819,336)**	**(13,813,890)**
Transactions with owners, recognised directly in equity					
Share based payment transactions	17	**-**	**1,431,305**	**-**	**1,431,305**
Capital raising costs	15	**(4,621)**	**-**	**-**	**(4,621)**
Exercise of options	15	**5,243,395**	**(30,182)**	**-**	**5,213,213**
Balance at 30 June 2024		**66,947,929**	**8,782,377**	**(57,418,158)**	**18,312,148**

	Note	Issued capital $	Reserves $	Accumulated losses $	Total $
Balance at 1 July 2022		62,016,810	7,765,996	(33,675,397)	36,107,409
Loss for the year		-	-	(9,923,425)	(9,923,425)
Other comprehensive income		-	(5,796)	-	(5,796)
Total comprehensive income for the year		-	(5,796)	(9,923,425)	(9,929,221)
Transactions with owners, recognised directly in equity					
Share based payment transactions	17	-	590,504	-	590,504
Shares redeemed during the year	15	(1,282,551)	-	-	(1,282,551)
Exercise of options	15	719,956	(719,956)	-	-
Conversion of performance rights	15	254,940	(254,940)	-	-
Balance at 30 June 2023		61,709,155	7,375,808	(43,598,822)	25,486,141

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Other income		**-**	1,476,424
Interest received		**832,577**	591,839
Research and development refund received		**5,661,426**	-
Payments for research and development		**(10,340,683)**	(7,573,827)
Payment for business development and marketing		**(415,676)**	(345,934)
Payment for manufacturing and distribution		**(2,612,155)**	(2,078,130)
Payments to suppliers and employees		**(2,671,068)**	(2,721,923)
Net cash used in operating activities	18	**(9,545,579)**	(10,651,551)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net cash provided by investing activities		**-**	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment for shares redeemed		**-**	(1,282,551)
Proceeds from the issue of shares on exercise of options		**5,213,213**	-
Capital raising costs		**(4,621)**	-
Net cash provided by/(used in) financing activities		**5,208,592**	(1,282,551)
Net increase/(decrease) in cash and cash equivalents held		**(4,336,987)**	(11,934,102)
Foreign currency translation		**5,446**	(86,320)
Cash and cash equivalents at beginning of year		**21,520,368**	33,540,790
Cash and cash equivalents at end of financial year	9	**17,188,827**	21,520,368

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2024

These consolidated financial statements cover Race Oncology Limited (Company) and its controlled entities as a consolidated entity (referred to as the consolidated entity). Race Oncology Limited is a company limited by shares, incorporated and domiciled in Australia. The Company is a for-profit entity. The Company's financial statements are presented in Australian dollars.

The financial statements were issued in accordance with a resolution by the Board of Directors 27 August 2024 by the Directors of the Company.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

1 Summary of material accounting policies

(a) Statement of compliance

The Financial Report is a General Purpose Financial Report, which has been prepared in accordance with AASB (including Australian Accounting interpretations and other authoritative pronouncements) adopted by the AASB and the Corporations Act 2001. The Financial Report of the Company complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(c) Income tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

1 Summary of material accounting policies (cont'd)

(c) Income tax (cont'd)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

1 Summary of Material Accounting Policies (cont'd)

(d) Financial instruments (cont'd)

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade and other payables.

(e) Impairment of assets

At the end of each reporting period the Group determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(f) Intangible assets other than goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income.

1 Summary of Material Accounting Policies (cont'd)

(f) Intangible assets other than goodwill (cont'd)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the consolidated entity can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Patents

The Company made upfront payments to purchase patents. The patents will have a life of 20 years in each jurisdiction where they are granted.

As a result, those patents are amortised on a straight-line basis over the remaining anticipated life of the patent.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks with original maturity of three months or less.

(h) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is brought to account on an accruals basis using the effective interest rate method and, if not received at the end of the reporting period, is reflected in the statement of financial position as a receivable.

1 Summary of Material Accounting Policies (cont'd)

(i) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the ATO.

Receivables and payable are stated inclusive of GST. The net amount of the GST recoverable from, or payable to, the ATO is included with other receivables and payables in the statement of financial position.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Equity-settled compensation

The consolidated entity operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. The fair value of performance right options is determined using the satisfaction of certain performance criteria (Performance Milestones). The number of shares option and performance rights expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. The fair value is determined using either a Black-Scholes or Monte-Carlo simulation model depending on the type of share-based payment.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) Segment Information

Identification of reportable segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

During the year, the consolidated entity is operated in two segments, being research into an oncology drug, bisantrene, and the manufacturing and distribution of the drug for clinical trials. Accordingly, the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environment in which it operates.

1 Summary of Material Accounting Policies (cont'd)

(m) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to members of the parent entity, excluding any cost of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year (if any).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(n) New Accounting Standards and interpretations

a) New, revised or amending Accounting Standards and interpretations adopted

The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group during the financial year.
Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

b) Accounting Standards that are mandatorily effective for the current reporting year

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023.

Changes in accounting policies on initial application of Accounting Standards
In the year ended 30 June 2024, the directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2023. As a result of this review, the Directors have determined that there is no material impact of any new and revised Standards and Interpretations issued by the AASB.

Standards and Interpretations in issue not yet adopted
The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ending 30 June 2024. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Group and therefore no material change is necessary to Group accounting policies.

(o) Comparative information

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the consolidated entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

2 Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the consolidated entity as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the ATO.

The R&D tax incentive refund is shown as other income in the year of receipt. No estimate has been provided or accrued for amounts expected to be received after the end of the reporting period.

Key estimates - share based payments

The value attributed to share options and remuneration shares issued is an estimate calculated using an appropriate mathematical formula based on Black-Scholes option pricing model. The choice of models and the resultant option value require assumptions to be made in relation to the likelihood and timing of the conversion of the options to shares and the value and volatility of the price of the underlying shares. Details of share-based payments assumptions are detailed in Note 17.

Key estimates - amortisation of patents

Costs incurred in acquiring patents and licenses are capitalised and amortised on a straight line basis over the life of the patent. Costs include only those costs directly attributable to the acquisition of the patents and licences. The recoverability of the carrying amount of the capitalised patent costs is dependent on the ability of the consolidated entity to generate positive cash inflows from the future development and sale of its pharmaceutical products.

3 Key Management Personnel remuneration

The totals of remuneration paid to KMP during the year are as follows:

	2024	2023
	$	$
Short-term employee benefits	**1,440,044**	1,487,398
Post-employment benefits	**118,483**	101,651
Equity settled	**1,113,394**	(17,489)
	2,671,921	1,571,560

Refer to the remuneration report contained in the director's report for details of the remuneration paid or payable to each member of the Group's KMP for the year ended 30 June 2024.

4 Other income

	2024	2023
	$	$
Other income		
- Research and development tax incentive	**4,003,470**	3,134,381

5 Loss for the year

Loss before income tax from continuing operations includes the following specific expenses:

	2024	2023
	$	$
Research and development expense		
- R&D pre-clinical research	4,913,691	2,032,935
- R&D consultants	2,039,190	2,031,400
- R&D other	4,024,223	3,531,232
Total research and development expense	10,977,104	7,595,567
Corporate advice expense		
- Legal fees	47,865	58,258
- Other	322,482	952,137
Total corporate advice expense	370,347	1,010,395
Other expenses		
- ASX fees	124,314	118,856
- Insurance	217,697	191,833
- Other	480,806	351,785
Total other expenses	822,817	662,474

6 Auditors' remuneration

	2024 $	2023 $
Auditor remuneration		
- auditing or reviewing the financial reports	**48,000**	43,750

7 Loss per share

	2024 $	2023 $
Loss used in calculation of basic EPS and diluted EPS	**13,819,336**	9,923,425

	2024 No.	2023 No.
Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share	**164,500,721**	160,720,648
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**164,500,721**	160,720,648

8 Income tax

(a) The major components of tax expense (income) comprise:

	2024 $	2023 $
Current tax	**-**	-
Deferred tax	**-**	-
	-	-

(b) Reconciliation of income tax to prima facie tax payable:

The prima facie tax payable on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2024 $	2023 $
Operating loss	**(13,819,336)**	(9,923,425)
Income tax calculated at 25%	**(3,454,834)**	(2,480,856)
Non-deductible items		
Tax effect of:		
- share based payment expense	**357,826**	147,626
- other non-deductible expenses	**2,713,899**	2,350,089
- non-assessable income	**(1,000,868)**	(777,294)
- other deductible expenses – blackhole expenditure	**(59,596)**	(78,636)
- timing differences in provisions and accruals	**41,012**	(25,072)
- deferred tax assets not brought to account	**1,402,560**	864,143
Income tax attributable to operating loss	**-**	-

8 Income Tax (cont'd)

(c) Deferred tax liabilities

	2024	2023
	$	$
Tax losses	**6,494,487**	4,868,846
Other	**186,859**	143,347
Total deferred tax asset	**6,681,346**	5,012,193
Set-off deferred tax liabilities	**-**	-
Less deferred tax assets not recognised	**(6,681,436)**	(5,012,193)
Net deferred tax assets/liabilities	**-**	-

(d) Tax losses

	2024	2023
	$	$
Unused tax losses for which no deferred tax asset has been recognised	**25,977,946**	19,475,383
Potential tax benefit at 25%	**6,494,487**	4,868,846

The benefit for tax losses will only be obtained if:

a) The company and consolidated entity derive future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;

b) The company and the consolidated entity continue to comply with the conditions for deductibility imposed by law; and

c) No changes in tax legislation adversely affect the ability of the Company and consolidated entity to realise these benefits.

9 Cash and cash equivalents

	2024	2023
	$	$
Cash at bank and in hand	1,388,827	1,920,368
Term deposits	15,800,000	19,600,000
	17,188,827	21,520,368

The effective interest rate on cash and cash equivalents was 4.30% (30 June 2023: 2.15%).

10 Trade and other receivables

	2024 $	2023 $
CURRENT		
Other receivables	**105,693**	1,704,099

11 Other assets

	2024 $	2023 $
CURRENT		
Prepayments	**122,094**	320,314

12 Intangible assets

	2024 $	2023 $
Intellectual property		
At cost	**5,000,000**	5,000,000
Accumulated amortisation	**(2,188,041)**	(1,906,845)
Total intangible assets	**2,811,959**	3,093,155

(a) Movements in carrying amounts of intangible assets

	Intellectual property $
Year ended 30 June 2024	
Balance at the beginning of the year	**3,093,155**
Amortisation expense	**(281,196)**
Closing value at 30 June 2024	**2,811,959**

IP totalling $5,000,000 comprises patents and licenses initially acquired by the Company and pertain to the oncology drug, called bisantrene. The initial acquisition of IP was supported by 2 patent applications. Subsequent to the initial patent applications the Company strategy has evolved to include a total of six patent families with 5 granted US patents. The three most recent patent applications expand bisantrene's protected use in anticancer combination therapies and cardioprotection. The patent useful life has been aligned to the patent term and as a result, those patents are amortised on a straight-line basis over the period of the patent. The amortisation expense has been included in the line item 'amortisation' in profit or loss.

The Directors do not consider there have been any indicators of impairment of the acquired intangible asset during the year up until the date of this report.

13 Trade and other payables

	2024 $	2023 $
CURRENT		
Trade and other creditors	**1,199,041**	638,514
Accruals	**554,203**	433,352
	1,753,244	1,071,866

All amounts are short-term. The carrying values of trade payables and other payables are considered to approximate fair value.

14 Provisions

	2024 $	2023 $
CURRENT		
Provision for annual leave	**114,925**	79,929
NON-CURRENT		
Provision for long service leave	**48,256**	-

15 Issued and unissued capital

	2024 $	2023 $
Opening balance	**61,709,155**	62,016,810
Shares redeemed during the year	**-**	(1,282,551)
Exercise of options	**5,243,395**	719,956
Conversion of Performance Rights	**-**	254,940
Less: capital raising costs	**(4,621)**	-
	66,947,929	61,709,155

The Company has issued share capital amounting to 170,303,703 (2023: 163,068,780) ordinary shares of no par value and the Company does not have a limited amount of authorised capital.

(a) Ordinary shares

	2024 No.	2023 No.
At the beginning of the reporting period	**163,068,780**	159,519,782
Shares issued during the year	**7,234,923**	4,183,879
Shares bought back during the year	**-**	(634,881)
At the end of the reporting period	**170,303,703**	163,068,780

At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Capital management

Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet due diligence programs and corporate overheads.

15 Issued and unissued capital (cont'd)

(b) Capital management (cont'd)

The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

16 Reserves

	2024	2023
	$	$
Opening balance	**7,375,808**	7,765,996
Foreign currency translation (net of tax)	**5,446**	(5,796)
Share based payment expense	**1,809,490**	590,504
Conversion of performance rights	**-**	(254,940)
Lapse of options	**(378,185)**	-
Exercise of options	**(30,182)**	(719,956)
	8,782,377	7,375,808

17 Share-based payments

The following share-based payment arrangement existed at 30 June 2024:

- On 22 November 2019, the Company issued 840,000 unlisted options exercisable at $0.18 each on or before 5 December 2024 to Borje Anderson.

- On 1 February 2020, the Company issued 2,400,000 unlisted options exercisable at $0.275 each on or before 23 January 2025 to Borje Anderson.

- On 30 November 2020, the Company issued the following incentives options:

  a) 2,000,000 Options exercisable at $2.65 and expiring on 29 November 2025 to Phillip Lynch;

  b) 2,000,000 Options exercisable at $2.65 and expiring on 29 November 2025 to Daniel Tillett.

  The vesting conditions for the incentives options are as follow:

  (i) Tranche A: 1/3 Options will vest and become exercisable on the date which is 12 months from the date of issue of the Options (First Vesting Date);

  (ii) Tranche B: Commencing on the date that is 1 month after the First Vesting Date, 2.77775% of the Options will vest and become exercisable on each monthly anniversary of the First Vesting Date thereafter for a twenty-three month period; and

  (iii) Tranche C: 2.7784% Options will vest and become exercisable on the date which is 24 months from the First Vesting Date.

- On 1 July 2021, the Company issued 500,000 unlisted options exercisable at $4.90 each on or before 1 July 2026, issued to Employee under the employee incentive option plan. 277,781 options have lapsed due to resignation.

  The vesting conditions for the incentives options are as follows:

  (i) Milestone A: 1/3 Options will vest and become exercisable on the date which is 12 months from the date of issue of the Options (First Vesting Date);

17 Share-based payments (cont'd)

(ii) Milestone B: Commencing on the date that is 1 month after the First Vesting Date, 2.77775% of the Options will vest and become exercisable on each monthly anniversary of the First Vesting Date thereafter for a twenty-three month period; and

(iii) Milestone C: 2.7784% Options will vest and become exercisable on the date which is 24 months from the First Vesting Date.

- On 12 July 2021, the Company issued 270,000 unlisted options exercisable at $4.76 each on or before 12 July 2026, issued to Employee under the employee incentive option plan.

  The vesting conditions for the incentives options are as follows:

  (i) Milestone A: 1/3 Options will vest and become exercisable on the date which is 12 months from the date of issue of the Options (First Vesting Date);

  (ii) Milestone B: Commencing on the date that is 1 month after the First Vesting Date, 2.77778% of the Options will vest and become exercisable on each monthly anniversary of the First Vesting Date thereafter for a twenty-three month period; and

  (iii) Milestone C: 2.77778% Options will vest and become exercisable on the date which is 24 months from the First Vesting Date.

- On 3 December 2021, the Company issued 150,000 unlisted options exercisable at $4.77 each on or before 3 December 2026, issued to Employee under the employee incentive option plan. 37,510 options have lapsed due to resignation.

  The vesting conditions for the incentives options are as follows:

  (i) Milestone A: 1/3 Options will vest and become exercisable on the date which is 12 months from the date of issue of the Options (First Vesting Date);

  (ii) Milestone B: Commencing on the date that is 1 month after the First Vesting Date, 2.77778% of the Options will vest and become exercisable on each monthly anniversary of the First Vesting Date thereafter for a twenty-three month period; and

  (iii) Milestone C: 2.77778% Options will vest and become exercisable on the date which is 24 months from the First Vesting Date.

- On 15 August 2022, the Company issued the following incentives options:

  a) 111,000 Options exercisable at $3.17 and expiring on 15 August 2027 to Employee;

  b) 132,000 Options exercisable at $2.46 and expiring on 22 June 2027 to Employee.

  The vesting conditions for the incentives options are as follows:

  (i) Milestone A: 1/3 Options will vest and become exercisable on the date which is 12 months from the date of issue of the Options (First Vesting Date);

  (ii) Milestone B: Commencing on the date that is 1 month after the First Vesting Date, 2.77778% of the Options will vest and become exercisable on each monthly anniversary of the First Vesting Date thereafter for a twenty-three month period; and

  (iii) Milestone C: 2.77778% Options will vest and become exercisable on the date which is 24 months from the First Vesting Date.

17 Share-based payments (cont'd)

- On 3 March 2023, the Company issued 110,392 unlisted options exercisable at $3.32 each on or before 3 March 2028, issued to Mary Harney under the employee incentive option plan.

  The vesting conditions for the incentives options are as follows:

  (i) Milestone A: 1/3 Options will vest and become exercisable on the date which is 12 months from the date of issue of the Options (First Vesting Date);

  (ii) Milestone B: Commencing on the date that is 1 month after the First Vesting Date, 2.77778% of the Options will vest and become exercisable on each monthly anniversary of the First Vesting Date thereafter for a twenty three month period; and

  (iii) Milestone C: 2.77778% Options will vest and become exercisable on the date which is 24 months from the First Vesting Date.

- On 1 November 2023, the Company issued the following incentives options to employees:

  a) 1,116,083 Options exercisable at $1.95 and expiring on 1 November 2028 to Michelle Rashford; and

  b) 489,408 Options exercisable at $2.23 and expiring on 1 November 2028 to Employee.

  The vesting conditions for the incentives options are as follows:

  (i) Milestone A: 1/3 Options will vest and become exercisable on the date which is 12 months from the date of issue of the Options (First Vesting Date);

  (ii) Milestone B: Commencing on the date that is 1 month after the First Vesting Date, 2.77778% of the Options will vest and become exercisable on each monthly anniversary of the First Vesting Date thereafter for a twenty-three month period; and

  (iii) Milestone C: 2.77778% Options will vest and become exercisable on the date which is 24 months from the First Vesting Date.

- On 21 November 2023, the Company issued the following incentives options to employees:

  a) 166,450 Options exercisable at $2.92 and expiring on 31 January 2028; and

  b) 308,247 Options exercisable at $1.32 and expiring on 24 October 2028.

  The vesting conditions for the incentives options are as follows:

  (i) Milestone A: 1/3 Options will vest and become exercisable on the date which is 12 months from the date of issue of the Options (First Vesting Date);

  (ii) Milestone B: Commencing on the date that is 1 month after the First Vesting Date, 2.77778% of the Options will vest and become exercisable on each monthly anniversary of the First Vesting Date thereafter for a twenty-three month period; and

  (iii) Milestone C: 2.77778% Options will vest and become exercisable on the date which is 24 months from the First Vesting Date.

17 Share-based payments (cont'd)

- On 29 November 2023, the Company issued the following incentives options:

  a) 1,534,712 Options exercisable at $1.45 and expiring on 29 November 2028 to Daniel Tillett (Tranche 1);

  b) 3,061,101 Options exercisable at $4.25 and expiring on 29 November 2028 to Daniel Tillett (Tranche 2).

  The vesting conditions for the incentives options for Tranche 1 are as follows:

  (i) Milestone A: 1/3 Options will vest and become exercisable on the date which is 12 months from the date of issue of the Options (First Vesting Date);

  (ii) Milestone B: Commencing on the date that is 1 month after the First Vesting Date, 2.77778% of the Options will vest and become exercisable on each monthly anniversary of the First Vesting Date thereafter for a twenty-three month period; and

  (iii) Milestone C: 2.77778% Options will vest and become exercisable on the date which is 24 months from the First Vesting Date.

  The vesting conditions for the incentives options for Tranche 2 are as follows:

  (i) Milestone A, B and C options will vest and become exercisable monthly on a pro-rata basis, commencing on the date that is 1 month after the commencement date and thereafter on a monthly basis for 3 years;

- On 1 December 2023, the Company issued the following incentives options:

  a) 139,516 Options exercisable at $1.39 and expiring on 1 December 2028 to Mary Harney;

  b) 440,019 Options exercisable at $1.39 and expiring on 1 December 2028 to Peter Smith.

  The vesting conditions for the incentives options are as follows:

  (i) Milestone A: 1/3 Options will vest and become exercisable on the date which is 12 months from the date of issue of the Options (First Vesting Date);

  (ii) Milestone B: Commencing on the date that is 1 month after the First Vesting Date, 2.77778% of the Options will vest and become exercisable on each monthly anniversary of the First Vesting Date thereafter for a twenty-three month period; and

  (iii) Milestone C: 2.77778% Options will vest and become exercisable on the date which is 24 months from the First Vesting Date.

17 Share-based payments (cont'd)

A summary of the Company options issued is as follows:

	Class of share based payment	Quantity	'Share price at Grant date	'Value recognised during the year	Value to be recognised in future years
Employee	Unlisted options	112,490	3.280	(37,088)	-
Damian Clarke-Bruce	Unlisted options	(755,671)	2.190	(263,548)	-
Employee	Unlisted options	132,000	1.665	37,406	10,195
Phillip Lynch	Unlisted options	2,000,000	2.150	17,736	-
Mary Harney	Unlisted options	110,392	2.190	90,275	32,707
Employee	Unlisted options	270,000	3.230	43,336	167
Employee	Unlisted options	111,000	2.139	44,399	12,335
Michelle Rashford	Unlisted Options	1,116,083	0.765	233,617	245,088
Employee	Unlisted Options	489,408	0.860	113,435	120,820
Employee	Unlisted Options	166,450	0.965	27,741	35,036
Employee	Unlisted Options	308,247	1.015	88,682	109,870
Daniel Tillett - Tranche 1	Unlisted Options	1,534,712	0.910	348,657	484,944
Daniel Tillett - Tranche 2	Unlisted Options	3,061,101	0.910	551,952	523,105
Mary Harney	Unlisted Options	139,516	0.940	32,429	46,899
Peter Smith	Unlisted Options	440,019	0.940	102,276	147,915
Total		**9,235,747**		**1,431,305**	**1,769,081**

	Milestone A	Milestone B	Milestone C
Michelle Rashford Unlisted Share Options			
Exercise price	$1.95	$1.95	$1.95
Spot price	$0.77	$0.77	$0.77
Grant date	16 October 2023	16 October 2023	16 October 2023
Expected volatility	90%	90%	90%
Expiry date	1 November 2028	1 November 2028	1 November 2028
Risk free interest rate	3.98%	3.98%	3.98%
Vesting period	12 months	12-36 months	36 months
Number of options	**372,027**	**713,053**	**31,002**
Total value of options	**$159,568**	**$305,839**	**$13,297**
Value recognised during the period	**$112,791**	**$117,693**	**$3,133**
Employee Unlisted Share Options			
Exercise price	$2.23	$2.23	$2.23
Spot price	$0.86	$0.86	$0.86
Grant date	18 October 2023	18 October 2023	18 October 2023
Expected volatility	89.5%	89.5%	89.5%
Expiry date	1 November 2028	1 November 2028	1 November 2028
Risk free interest rate	4.19%	4.19%	4.19%
Vesting period	12 months	12-36 months	36 months
Number of options	**163,136**	**312,677**	**13,595**
Total value of options	**$78,085**	**$149,663**	**$6,507**
Value recognised during the period	**$54,766**	**$57,147**	**$1,521**

17 Share-based payments (cont'd)

	Milestone A	Milestone B	Milestone C
Employee Unlisted Share Options			
Exercise price	$2.92	$2.92	$2.92
Spot price	$0.97	$0.97	$0.97
Grant date	9 November 2023	9 November 2023	9 November 2023
Expected volatility	80%	80%	80%
Expiry date	21 November 2028	21 November 2028	21 November 2028
Risk free interest rate	4.13%	4.13%	4.13%
Vesting period	12 months	12-36 months	36 months
Number of options	**55,483**	**106,343**	**4,624**
Total value of options	**$20,926**	**$40,108**	**$1,744**
Value recognised during the period	**$13,379**	**$13,990**	**$372**
Employee Unlisted Share Options			
Exercise price	$1.32	$1.32	$1.32
Spot price	$1.02	$1.02	$1.02
Grant date	7 November 2023	7 November 2023	7 November 2023
Expected volatility	82.5%	82.5%	82.5%
Expiry date	21 November 2028	21 November 2028	21 November 2028
Risk free interest rate	4.24%	4.24%	4.24%
Vesting period	12 months	12-36 months	36 months
Number of options	**102,749**	**196,936**	**8,562**
Total value of options	**$66,184**	**$126,853**	**$5,515**
Value recognised during the period	**$42,793**	**$44,700**	**$1,189**
Daniel Tillett - Tranche 1 Unlisted Share Options			
Exercise price	$1.45	$1.45	$1.45
Spot price	$0.91	$0.91	$0.91
Grant date	22 November 2023	22 November 2023	22 November 2023
Expected volatility	82.2%	82.2%	82.2%
Expiry date	29 November 2028	29 November 2028	29 November 2028
Risk free interest rate	4.05%	4.05%	4.05%
Vesting period	12 months	12-36 months	36 months
Number of options	**511,571**	**980,510**	**42,631**
Total value of options	**$277,867**	**$532,579**	**$23,156**
Value recognised during the period	**$168,243**	**$175,741**	**$4,673**
Daniel Tillett - Tranche 2 Unlisted Share Options			
Exercise price	$4.25	$4.25	$4.25
Spot price	$0.91	$0.91	$0.91
Grant date	22 November 2023	22 November 2023	22 November 2023
Expected volatility	82.2%	82.2%	82.2%
Expiry date	29 November 2028	29 November 2028	29 November 2028
Risk free interest rate	4.05%	4.05%	4.05%
Vesting period	12 months	12 months	12 months
Number of options	**1,020,367**	**1,020,367**	**1,020,367**
Total value of options	**$358,352**	**$358,352**	**$358,352**
Value recognised during the period	**$319,655**	**$145,849**	**$86,448**

17 Share-based payments (cont'd)

	Milestone A	Milestone B	Milestone C
Mary Harney			
Unlisted Share Options			
Exercise price	$1.39	$1.39	$1.39
Spot price	$0.94	$0.94	$0.94
Grant date	27 November 2023	27 November 2023	27 November 2023
Expected volatility	82.2%	82.2%	82.2%
Expiry date	1 December 2028	1 December 2028	1 December 2028
Risk free interest rate	4.18%	4.18%	4.18%
Vesting period	12 months	12-36 months	36 months
Number of options	**46,505**	**89,135**	**3,875**
Total value of options	**$26,443**	**$50,682**	**$2,203**
Value recognised during the period	**$15,648**	**$16,346**	**$435**
Peter Smith			
Unlisted Share Options			
Exercise price	$1.39	$1.39	$1.39
Spot price	$0.94	$0.94	$0.94
Grant date	27 November 2023	27 November 2023	27 November 2023
Expected volatility	82.2%	82.2%	82.2%
Expiry date	1 December 2028	1 December 2028	1 December 2028
Risk free interest rate	4.18%	4.18%	4.18%
Vesting period	12 months	12-36 months	36 months
Number of options	**146,673**	**281,123**	**12,223**
Total value of options	**$83,397**	**$159,845**	**$6,950**
Value recognised during the period	**$49,353**	**$51,552**	**$1,371**

The weighted average remaining contractual life for the options over ordinary shares outstanding as at 30 June 2024 was 2.25 years (2023: 2.26 years).

The following table sets out the number and weighted average exercise prices of, and movements in, options over ordinary shares during the financial year.

	30 June 2024		30 June 2023	
		Weighted Average Price		Weighted Average Price
	No. of options	$	No. of options	$
Balance at the start of financial year	**9,189,063**	1.8499	**13,480,000**	1.3059
Options				
- Granted	**35,389,201**	1.4520	**1,219,455**	3.2009
- Exercised	**(7,234,923)**	0.7204	**(4,900,000)**	0.3369
- Expired	**(2,071,122)**	1.7532	**(610,392)**	4.6143
Balance at the end of the financial year	**35,494,438**	1.7093	**9,189,063**	1.8499

18 Cash flow information

(a) Reconciliation of cash

	2024 $	2023 $
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to items in the consolidated statement of financial position as follows:		
Cash and cash equivalents	**17,188,827**	21,520,368

(b) Reconciliation of result for the year to cashflows from operating activities

	2024 $	2023 $
Loss for the year	**(13,819,336)**	(9,923,425)
Non-cash flows in profit:		
- Share based payments	**1,431,305**	590,504
- Amortisation	**281,196**	281,195
- Unrealised foreign exchange translation		81,854
Changes in assets and liabilities:		
- (increase)/decrease in receivables	**1,598,408**	(1,641,634)
- (decrease)/increase in payables	**681,378**	(265,545)
- increase/(decrease) in provisions	**83,252**	
- decrease in prepayments	**198,218**	226,830
- (decrease)/increase in other foreign exchange reserve		(1,330)
Cashflows used in operations	**(9,545,579)**	(10,651,551)

(c) Credit standby facilities

The consolidated entity has no credit standby facilities.

19 Financial risk management

Financial risk management policies

The consolidated entity's financial instruments consist mainly of deposits with banks, other debtors, accounts payables and borrowings.

The main purpose of non-derivative financial instruments is to raise finance for consolidated entity's operations. The consolidated entity does not speculate in the trading of derivative instruments.

Specific financial risk exposures and management

The main risk the consolidated entity is exposed to through its financial instruments are market risk (including fair value and interest rate risk) and cash flow interest rate risk, credit risk and liquidity risk.

19 Financial risk management (cont'd)

(a) Interest rate risk

From time to time the consolidated entity has significant interest-bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The consolidated entity's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

The consolidated entity exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below:

	Weighted average effective interest rate		Floating interest rate		Fixed interest rate		Non-interest bearing		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	%	%	$	$	$	$	$	$	$	$
Financial assets:										
Cash and cash equivalents	**4.30**	2.15	**1,388,827**	1,920,368	**15,800,000**	19,600,000	**-**	**-**	**17,188,827**	21,520,368
Total financial assets			**1,388,827**	1,920,368	**15,800,000**	19,600,000	**-**	**-**	**17,188,827**	21,520,368
Financial liabilities:										
Trade and other payables	**-**	-	**-**	**-**	**-**	**-**	**(1,753,244)**	(1,071,866)	**(1,753,244)**	(1,071,866)
Total financial liabilities			**-**	**-**	**-**	**-**	**(1,753,244)**	(1,071,866)	**(1,753,244)**	(1,071,866)

Sensitivity analysis

The following table illustrates sensitivities to the consolidated entity's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	2024	2023
	+/-1.00%	+/-1.00%
	$	$
Movement in loss	**16,546**	39,806
Movement in equity	**16,546**	39,806

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the consolidated entity. The consolidated entity does not have any material credit risk exposure to any single receivable or consolidated entity of receivables under financial instruments entered into by the consolidated entity.

(b) Credit risk (cont'd)

Credit risk exposures

The maximum exposure to credit risk is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the consolidated entity in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The below table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

		2024	2023
		$	$
Cash and cash equivalents	9	17,188,827	21,520,368

(c) Liquidity risk

Liquidity risk arises from the possibility that the consolidated entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

The consolidated entity manages liquidity risk by maintaining adequate reserves by continuously monitoring forecasts and actual cash flows.

The consolidated entity has no access to credit standby facilities or arrangements for further funding or borrowings in place. The financial liabilities of the consolidated entity are confined to trade and other payables as disclosed in the Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

The table below analyses the consolidated entity's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Weighted average Interest rate		Within 1 Year		1 to 5 Years		Over 5 Years		Total contractual cash flows	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	%	%	$	$	$	$	$	$	$	$
Financial liabilities at amortised cost										
Trade and other payables	-	-	**1,753,244**	1,071,866	-	-	-	-	**1,753,244**	1,071,866

(d) Financial risk management

The consolidated entity's financial instruments consist mainly of deposits with banks.

(e) Net fair value of financial assets and liabilities

Fair value estimation

Due to the short-term nature of the receivables and payables the carrying value approximates fair value.

(f) Financial arrangements

The consolidated entity has no other financial arrangements in place.

20 Parent entity

The following information has been extracted from the books and records of the parent, Race Oncology Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Race Oncology Limited has been prepared on the same basis as the financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

	2024 $	2023 $
Statement of financial position		
Assets		
Current assets	**17,416,614**	23,533,019
Non-current assets	**2,811,959**	3,093,155
Total assets	**20,228,573**	26,626,174
Liabilities		
Current liabilities	**1,868,169**	1,140,033
Non-current liability	**48,256**	
Total liabilities	**1,916,425**	1,140,033
Equity		
Issued capital	**66,947,929**	61,709,155
Retained earnings	**(57,418,158)**	(43,603,288)
Option reserve	**8,782,377**	7,380,274
Total equity	**18,312,148**	25,486,141
Statement of profit or loss and other comprehensive income		
Total loss for the year	**(13,811,012)**	(9,923,425)
Total comprehensive income	**(13,811,012)**	(9,923,425)

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

21 Interests in subsidiaries

Consolidate entity disclosure statement

Name of entity	Type of entity	Trustee, partner, or participant in joint venture	% of share capital held	Country of incorporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
Race Oncology SRL/BV	Body corporate	n/a	100	Belgium	Foreign	Belgium

22 Related parties

(a) The Group's main related parties are as follows:

Key management personnel – refer to Note 3 and share based payment arrangements are at Note 17.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023: None).

24 Segment reporting

Identification of reportable segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The financial information presented to the chief operating decision maker is consistent with that presented in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. This applies to both the Australian head entity and Belgium subsidiary.

25 Commitments

There are no leasing or capital commitments for the year ended 30 June 2024.

26 Events occurring after the reporting date

The financial report was authorised for issue on 27 August 2024 by the Board of Directors.

On 2 July 2024, Eminent Professor Dr Daniel Von Hoff joined Race's Clinical Advisory Board to advise on the clinical development of RC220 bisantrene. Prof Von Hoff is a world-leading expert in early clinical trials and translational research with extensive personal clinical experience using bisantrene. The appointment of Prof Von Hoff provides Race with a rich insight into the historical use of bisantrene and valuable experience to aid the clinical development of RC220 bisantrene.

On 30 July 2024 Race announced that the Phase 1b/2 trial of RC110 bisantrene in relapsed or refractory AML had been successfully concluded by the investigators at the Sheba Medical Centre, Israel. In patients with highly advanced disease, 40% showed a response to bisantrene combination treatment (5 complete responses and 1 partial response), surpassing the trial's predefined efficacy goal of at least 3 complete responses. The findings of this study strongly support Race's intention to initiate a new Phase 1/2 investigator sponsored AML trial using RC220 bisantrene.

Since 1 July 2024, shareholders have exercised Piggyback options with an exercise price of $1.25 per share, resulting in 83,433 new ordinary shares being issued.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of Race, the results of those operations or the state of affairs of Race in future financial years.

Directors' Declaration

for the year ended 30 June 2024

The directors of the consolidated entity, declare that:

1. The financial statements, notes and additional disclosures included in the directors' report designated as audited, of the Consolidated Entity for the year ended 30 June 2024 are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b. give a true and fair view of the financial position and performance of the consolidated group;

2. The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial report.

3. In the directors' opinion, the consolidated entity disclosure statement is true and correct.

4. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

5. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.



Chair: Mary Harney

Dated: 27 August 2024

HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RACE ONCOLOGY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Race Oncology Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1a.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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HALL CHADWICK

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Recognition of Research & Development Tax Incentive As disclosed in note 4 of the financial statements under the Research and Development ("R&D") tax incentive scheme, the Consolidated Entity recognised income of $4,003,470. An R&D submission was lodged, and the income was received during the year. This area is a key audit matter due to the inherent subjectivity that is involved in the Consolidated Entity making judgements in relation to estimation and recognition of the R&D tax incentive.	Our procedures included, amongst others: • obtaining an understanding of the objectives and activities in the R&D program; • reviewing the lodgment documents and related working papers utilised by the expert engaged by the Consolidated Entity; • comparing the eligible expenditure used in the calculation to the expenditure recorded in the general ledger; • agreeing the receipt of the refund to the bank statement; and • assessing the adequacy of the disclosures in the financial report.
Intangible assets As disclosed in note 12 to the financial statements the Consolidated Entity has intangible assets with a carrying value of $2,811,959. Intangible assets are considered to be a key audit matter due to the size of the balance having a pervasive impact on the financial statements and the judgement requirement in assessing for impairment.	Our procedures included, amongst others: • Assessing whether there are any indicators of impairment of the asset, including understanding management's planned future commercialisation activities; • Reviewing the calculation of amortisation during the year; • Comparing market capitalisation to the carrying value of net assets and capitalised intangible assets at year-end; • Assessing management's rights to the patents and licenses; and • Assessing the appropriateness of the disclosures included in Note 12 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error. In Note 1a, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

HALL CHADWICK

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

HALL CHADWICK

Auditor's Opinion

In our opinion, the Remuneration Report of Race Oncology Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 27th day of August 2024
Perth, Western Australia

ASX Additional Information

16 August 2024

The shareholder information set out below was applicable as at 16 August 2024.

There were 9,754 holders of Ordinary Fully Paid Shares

VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands, each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll, each eligible member has one vote for each fully paid share held.

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Shares

Holder Name	Holding	% IC
Dr Daniel Tillett	17,267,615	10.13
Mr Phillip Richard Perry	6,334,328	3.72
Mr Mark Phillip Juan	5,839,062	3.43
The Trust Company (Australia) Limited <MOF A/C>	5,147,246	3.02
Biosynergy Partners Pty Ltd	4,855,700	2.85
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient >	2,618,464	1.54
Marinella Messina	1,845,245	1.08
Mr Phillip Richard Perry & Mrs Tetyana Perry <Doneska Super Fund A/C>	1,669,500	0.98
Mr Sandor Helby	1,625,000	0.95
Mr Kimberley Ross Gartrell & Mrs Jennifer Margaret Gartrell <K&J Gartrell Super Fund A/C>	1,575,000	0.92
Kudoss Investments Pty Ltd <Aitken Global Family A/C>	1,500,000	0.88
Mr Anthony James Robinson <The Peeko Family No 86 A/C>	1,370,262	0.80
Mr Alan Giles Sauran	1,094,368	0.64
Mr Brian James Walker	955,000	0.56
Pierpont Investments Pty Ltd <Pierpont Super Fund A/C>	950,000	0.56
Surpion Pty Ltd <M W Suhr & Co A/C>	935,000	0.55
Citicorp Nominees Pty Limited	847,284	0.50
Mr Van Quy Do	829,409	0.49
Mr Beau Thomas Robinson <Beau Robinson Invstmnt A/C>	743,458	0.44
Mr Graeme Stewart Pocknall & Mrs Vivienne Glynis Pocknall	674,511	0.40
Totals	**58,677,352**	**34.44**

SUBSTANTIAL HOLDERS

The names of the substantial shareholders disclosed to the Company as substantial shareholders are:

Name	No of Shares Held	Capital
Daniel Tillett	17,267,615	10.13%

DISTRIBUTION OF EQUITY SECURITIES

Ordinary Fully Paid Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	4,440	1,754,987	1.03%
1,001 - 5,000	2,696	6,616,294	3.88%
5,001 - 10,000	832	6,184,048	3.63%
10,001 - 100,000	1,506	46,821,199	27.48%
100,001 and above	263	109,010,308	63.98%
Totals	**9,754**	**170,385,792**	**100.00%**

Unmarketable Parcels – 2,330 Holders

RESTRICTED SECURITIES

There are no restricted securities.

UNQUOTED SECURITIES

The following unquoted securities are on issue:

840,000 Options Expiring 05/12/2024 @ $0.18 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Prof Borje Andersson	840,000	100.00%

2,400,000 Options Expiring 23/01/2025 @ $0.275 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Prof Borje Andersson	2,400,000	100.00%

4,000,000 Options Expiring 29/11/2025 @ $2.65 – 2 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Dr Daniel Tillett	2,000,000	50.00%
Mr Phillip Lynch	2,000,000	50.00%

ASX Additional Information

16 August 2024

UNQUOTED SECURITIES (Continued)

19,958,712 Options Expiring 29/05/2026 @ $1.25 – 2,427 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Nil	-	-

229,219 Options Expiring 01/07/2026 @ $4.90 - 1 Holder

Issued under Incentive Option Plan

270,000 Options Expiring 12/07/2026 @ $4.76- 1 Holder

Issued under Incentive Option Plan

112,490 Options Expiring 03/12/2026 @ $4.77- 1 Holder

Issued under Incentive Option Plan

132,000 Options Expiring 12/07/2026 @ $2.46- 1 Holder

Issued under Incentive Option Plan

111,000 Options Expiring 15/08/2027 @ $3.17- 1 Holder

Issued under Incentive Option Plan

110,392 Options Expiring 03/03/2028 @ $3.32 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Ms Mary Harney	110,392	100.00%

308,247 Options Expiring 24/10/2028 @ $1.32 - 1 Holder

Issued under Incentive Option Plan

1,116,083 Options Expiring 1/11/2028 @ $1.95 - 1 Holder

Issued under Incentive Option Plan

489,408 Options Expiring 1/11/2028 @ $2.32 - 1 Holder

Issued under Incentive Option Plan

1,534,712 Options Expiring 29/11/2028 @ $1.45 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Dr Daniel Tillett	1,534,712	100.00%

3,061,101 Options Expiring 29/11/2028 @ $4.25 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Dr Daniel Tillett	1,534,712	100.00%

UNQUOTED SECURITIES (Continued)

579,535 Options Expiring 1/12/2028 @ $1.39 – 2 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Ms Mary Harney	139,516	24.07%
Dr Peter Smith	440,019	75.93%

ON-MARKET BUY BACK

There is no current on-market buy-back.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement is available on the Company's website.



www.raceoncology.com