

## ASX Announcement

### September 2021 Quarterly Activity Report and Appendix 4C

- First patient dosed in the Phase 1b/2 AML trial at Chaim Sheba, Israel
  - Zantrene found to kill melanoma cells that overproduce FTO in preclinical interim results
  - Significant progress made in our preclinical and clinical programs despite COVID-19 restrictions in NSW.
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#### Race updates on preclinical and clinical progress

**28 September 2021** - The September 2021 quarter (Q1 FY 2022) was highlighted by the first patient being dosed in the Phase 1b/2 combination Acute Myeloid Leukemia (AML) study, where Zantrene is being trialled in patients with relapsed/refractory (R/R) AML (ASX announcement: 9 August 2021).

A second highlight was the interim preclinical results from our University of Newcastle collaborators that showed Zantrene to be highly effective at killing a diverse range of melanoma cell subtypes at low (sub-chemotherapeutic) concentrations. The data also showed a close association between FTO protein levels in the cancer cells and sensitivity to Zantrene (ASX announcement: 30 September 2021).

Late in the quarter, Race provided an update on the broader preclinical and clinical programs given some Covid-related slowdowns (ASX announcement: 30 September 2021). In sum, we continue to make significant progress on all programs and will be further updating this quarter.

#### Key events of the quarter

- On 9 August 2021, Race announced that the first patient was dosed in its Phase 1b/2 AML clinical trial at the Chaim Sheba Medical Center Israel under Principal Investigator Prof. Arnon Nagler, MD. Treating the first patient is an important step in any trial. We look forward to the full clinical data set and trust this may build upon earlier observations reporting an encouraging 40% overall clinical response rate (ASX announcement: 16 June 2020).
- On 30 September 2021, Race announced that Zantrene kills melanoma cancer cells that overproduce FTO. The preclinical program led by University of Newcastle researchers Professor Zhang and Associate Professor Jin identified that Zantrene sensitivity is correlated with FTO levels, and that high FTO producing cells show up to 60x greater sensitivity than low FTO producing cells. The results support future

melanoma clinical trials for Zantrene in combination with standard of care treatments.

- On 30 September 2021 Race shared an update to its preclinical and clinical programs, noting some COVID-19 related slowdowns in NSW, but with significant progress occurring outside of the state.

### Summary of cash flows and quarterly activity

As of 30 September 2021, Race held cash and equivalents of \$8.94 million, compared with \$9.32 million on 30 June 2021. The nominal decline in cash reserves reflects receipts from the exercise of options and a return to a lower cadence of spending (\$0.931m vs \$2.807m in the prior quarter) as projected in the last quarterly update.

### Listing rule 4.7C.3

Payments during the quarter to Related Parties amounted to \$142k, comprising payments of salaries to executive directors of \$100k and board fees to non-executive directors of \$42k.

### Shareholders by holding range

Race is pleased to share that our shareholder numbers were 9,198 on September 30 2021, confirming the continued strong shareholder interest in Race's progress through Q1 FY 2022.

Holding Ranges	Holders	Total Units	% Issued Share Capital
Above 0 up to and including 1,000	4,134	1,860,893	1.27%
Above 1,000 up to and including 5,000	2,891	7,185,041	4.90%
Above 5,000 up to and including 10,000	774	5,878,135	4.01%
Above 10,000 up to and including 100,000	1,190	37,891,693	25.86%
Above 100,000	209	93,729,020	63.96%
	<b>9,198</b>	<b>146,544,782</b>	<b>100.00%</b>

### Post quarter news

Race announced the issue of two additional US patents (ASX announcements: 6 October 2021 and 19 October 2021). The 5<sup>th</sup> and 6<sup>th</sup> US issued patents provide Race with additional protection around the use, formulation, and compositions that improve the therapeutic benefit of Zantrene.

Race announced it had entered into a research collaboration with Dr Dan Dominissini of the Chaim Sheba Medical Center, Israel to develop and analyse FTO biomarker data from the Phase 1b/2 relapsed/refractory (R/R) Acute Myeloid Leukemia (AML) Zantrene trial (ASX announcement: 27 October 2021).

## Expected news

In the current quarter, shareholders can expect updates on the following activities:

- **Pillar 1** - updates on the progress of FTO-directed preclinical programs in clear cell renal cell carcinoma and extramedullary AML.
- **Pillar 2** – preliminary results from the cardiotoxicity preclinical program and a decision to progress further animal studies.
- **Pillar 3** – updates on the AML clinical programs, including completion of the Phase 1b dose escalation stage for the Israel trial, subject to patient recruitment.

## Management commentary

**Race CEO Phillip Lynch said:** *"The team continues to successfully progress Race's preclinical and clinical programs. We were particularly excited with the interim melanoma results where Zantrene was shown to inhibit melanomas with high FTO expression. Those results provide a strong early validation of our thesis that Zantrene could have a significant patient and economic opportunity. We are now moving to determine appropriate clinical translation plans."*

**Race CSO Daniel Tillett said:** *"Despite difficulties caused by COVID-19, the Race team and our collaborators have continued to make excellent progress on our programs. I am looking forward to sharing further updates on our activities in the near future."*

**Race Chairman John Cullity said:** *"Our Company is on track to deliver for Shareholders. We look forward with some anticipation to sharing data from ongoing preclinical and clinical programs."*

-ENDS-

## About Race Oncology (ASX: RAC)

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

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



Company also has compelling clinical data for the use of Zantrene as a chemotherapeutic agent with reduced cardiotoxicity in Acute Myeloid Leukaemia (AML), breast and ovarian cancers and is investigating its use in these areas.

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

Learn more at [www.raceoncology.com](http://www.raceoncology.com).

**Release authorised by:**

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RACE ONCOLOGY LIMITED (RAC)

**Appendix 4C****Quarterly cash flow report for entities  
subject to Listing Rule 4.7B****Name of entity**

RACE ONCOLOGY LIMITED (RAC)

**ABN**

61 149 318 749

**Quarter ended ("current quarter")**

30 September 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(550)	(550)
(b) product manufacturing and operating costs	(149)	(149)
(c) advertising and marketing	(24)	(24)
(d) leased assets	-	-
(e) staff costs	(90)	(90)
(f) administration and corporate costs	(123)	(123)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(931)</b>	<b>(931)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	550	550
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (shares yet to be issued)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>550</b>	<b>550</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	9,322	9,322
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(931)	(931)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	550	550
4.5	Effect of movement in exchange rates on cash held	(5)	(5)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>8,936</b>	<b>8,936</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,436	3,322
5.2	Call deposits	5,500	6,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,936</b>	<b>9,322</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	142
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p><b>Payment to related parties as disclosed in item 6.1 as follows:</b></p> <ul style="list-style-type: none"> <li>- \$42,000 payments for non-executive director fees for the period;</li> <li>- \$100,000 salary payments to executive directors for the period.</li> </ul>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>	-	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(931)
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,936
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	8,936
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	9.60
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	



## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021

Authorised by: The Board of Race Oncology Limited  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.