



1 November 2018

ASX Announcement

Race appoints Biosynergy to pursue Bisantrene licensing

1 November 2018: Race Oncology Limited ('RAC') announced that it has executed a services agreement with Biosynergy Partners LLC ('Biosynergy') to pursue licensing and other deals for Bisantrene (the 'Agreement'). Biosynergy is a transaction consulting business owned by Dr John Cullity, a non-executive director of RAC.

Under the Agreement, potential transactions include any sale, license, partnership, collaborative venture or other arrangement, whereby an interest in Bisantrene is transferred to a third party ('Transaction').

Dr Cullity will work with RAC management to prepare licensing presentations and due diligence materials for prospective partners, identify and engage with potential partners, and seek to structure, negotiate and close a Transaction.

"We are particularly interested in exploring licensing deals, where the partner carries the cost of the proposed AML registration trial," said RAC CEO, Peter Molloy. "We would also like to see upfront license fees paid that would represent non-dilutive funding for Race."

"BioSynergy looks forward to working with Race to bring the bisantrene value proposition before global oncology companies," said Dr Cullity. "Our clear objective will be to drive Race shareholder value."

The Company noted that there is no guarantee that the Agreement will lead to an acceptable licensing or other deal.

Agreement Terms

The Agreement provides for no retainer to be paid, but Transaction Fees to be paid to Biosynergy as follows:

- 6% of the Total Consideration up to US\$25 million
- 3% of the Total Consideration over US\$25 million

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Total Consideration means the total proceeds and all other payments to RAC, including sale value, upfront license fees, milestone payments, R&D funding, royalties and any other consideration received in the Transaction.

The Agreement provides for a minimum Transaction Fee equivalent to 10% of the first US\$6 million in Total Consideration and a maximum Transaction Fee of US\$5 million, the latter equivalent to Total Consideration of US\$142 million. RAC will also reimburse Biosynergy for out-of-pocket expenses.

The Agreement excludes any license, partnership or other agreements executed with MD Anderson Cancer Research Center and arising out of the existing consulting agreement with Mr Tom Lee, announced by RAC on 1 October 2018.

The Agreement can be terminated by RAC or Biosynergy with 10 days written notice. In the event of termination, Biosynergy will be eligible to receive Transaction Fees on any Transaction executed by RAC in the subsequent 12 months.

The RAC Board has taken the view that the Agreement is on arm's length terms that are standard for the industry. During the term of the Agreement and otherwise, Dr Cullity will continue to fulfil his responsibilities as a non-executive director of RAC.

About Dr John Cullity

Dr John Cullity is a New York-based haematology-oncologist with extensive biotech transactional experience. After completing his medical training in Perth, Dr Cullity completed the Royal College of Physicians examinations in London, a Master of Science Degree at the London School of Economics, and an MBA at The Wharton School at the University of Pennsylvania. After a period consulting to World Health Organisation and The World Bank, Dr Cullity became a senior executive in the pharmaceutical industry, working as Director of Health Economics (Oncology) and Strategic Pricing at Schering-Plough, and then for seven years at Sanofi-Aventis in Oncology pricing and business development.

Between 2010 and 2017 in New York, Dr Cullity was a principal for Torrey Partners, the internationally-recognised transactions firm, and established Torrey Insights focusing on transactions advisory. During this time, he managed numerous licensing and M&A transactions, and participated in the establishment of several biotech companies. More recently, he established Biosynergy Partners LLC to independently pursue transactions advisory. He joined the Board of RAC on 6 April 2018.



About Race Oncology (RAC.ASX)

Race Oncology is a specialty pharmaceutical company that listed on the Australian Securities Exchange (ASX) in July 2016. Race's business model is to pursue later-stage drug assets in the cancer field that have been overlooked by big pharma. The company's first asset is Bisantrene. Race has successfully manufactured Bisantrene and is seeking to complete the development necessary to gain FDA approval, while also making the drug available as an unlicensed medication under named patient programs outside the US.

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