



ASX AND MEDIA RELEASE

Race Oncology MD and CEO, Peter Molloy, speaks to Finance News Network

19 July 2016, Perth, Australia: Race Oncology Limited (ASX: RAC) is pleased to provide shareholders with a transcript and video of MD and CEO, Peter Molloy, outlining the Company's plans and prospects.

To view the video online, please copy and paste the URL below into your web browser:

www.finnewsnetwork.com.au/MediaCenter/MediaCenterMobile.aspx?Site=FNN770

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About Race Oncology

Race Oncology is a specialty pharmaceutical company, whose business model is to pursue later stage assets, principally in the cancer field. The Company's first important asset is a chemotherapy drug, called Bisantrene, which was the subject of more than 40 phase II clinical studies during the 1980s and 1990s. Race Oncology owns recent patent filings on Bisantrene and has secured Orphan Drug Designation in the US. The Company's goal is to complete final development of Bisantrene and bring this valuable cancer drug to market.

Peter Webse

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Transcript of interview between Carolyn Herbert of Finance News Network and Race Oncology Managing Director and CEO, Peter Molloy, on 13 July 2016

Carolyn Herbert: Hello, I'm Carolyn Herbert from the Finance News Network and joining me from newly-listed pharmaceutical company, Race Oncology, is CEO, Peter Molloy. Peter, congratulations on the listing.

Peter Molloy: Thanks Carolyn.

Carolyn Herbert: Peter, could you start by giving us an introduction to Race Oncology?

Peter Molloy: Race Oncology is a specialty pharmaceutical company, in that we look for shelved or overlooked assets that perhaps have got lost in big pharma mergers. We seek to acquire them relatively inexpensively, finish off the development and get them onto the market quickly. Very different, to say, a biotech model, where you're dealing with a long pathway to market and higher risk. Our first drug asset is called Bisantrene which is a cancer chemotherapy drug.

Carolyn Herbert: So where is Bisantrene used and how does it work?

Peter Molloy: Bisantrene is a chemotherapy drug and like other chemotherapy drugs it works by killing cancer cells. In our case, the primary clinical indication for Bisantrene is going to be Acute Myeloid Leukaemia, or AML. Now this is a relatively rare Leukaemia, a blood cancer, but it's very difficult to treat and the standard of care for treatment of AML hasn't changed in 30 years. The opportunity for Bisantrene today is the same when it was when it got lost back in the 1980s and the 1990s.

The standard of care involves seven days of chemotherapy, after which, unfortunately, many of the patients relapse and then they have no hope; Bisantrene gives them hope. It was tested in five Phase II studies in the 1980s and the 1990s, where even in patients who had been heavily pre-treated with other chemotherapy agents, it produced nearly a 50 per cent response rate. So that's where we see it positioned and that's where we think it's going to have the greatest value in the short term.

Carolyn Herbert: So Peter how does this compare to other cancer treatments for Leukaemia?

Peter Molloy: Well there really are no other treatments once the standard chemotherapy fails. The new immunotherapies that we're all excited about for many of the cancers, don't work in AML. I just went to the ASCO (American Society of Clinical Oncology) meeting in Chicago where oncologists from around the world discussed treatments for cancer and it became very clear that AML is probably the most difficult cancer to treat. So there's a clear and long term opportunity for Bisantrene for AML.

Carolyn Herbert: Thanks. So where are you at in the approvals process for the drug?

Peter Molloy: Our plan is to file an Investigational New Drug application, or IND, in the US with the FDA and then start a couple of clinical studies that hopefully will get us to FDA approval for general marketing of Bisantrene, for AML and potentially other cancers; now that's going to take a few years.

In parallel, and in the meantime, we intend to try to sell the drug under a Named Patient Program in Europe, which is essentially a compassionate use program where you make the drug available to AML sufferers who have no other option and that's exactly where Bisantrene fits in; and we can make early sales under that, by charging patients and in many cases it will be reimbursed by the local health authorities for the drug, even though it's not yet approved in the US.

Carolyn Herbert: So Peter, what is the potential market size and how many people are diagnosed with this type of Leukaemia each year?

Peter Molloy: The potential market in the Named Patient Program is probably \$30 - \$40 million a year in sales. I think that is what we could expect reasonably from that. In the longer term, with the full FDA approval, it could be ten times that amount, so that's the market potential. It is a relatively small disease; the incidence of AML is 1/20th of say breast cancer or lung cancer, but even so, it can still be very valuable for a small company like Race Oncology.

Carolyn Herbert: And Peter now to your IPO, how much was raised and at what price did you start trading?

Peter Molloy: Our target raising was \$3.3 million; we actually raised \$4.3 million, so I was very happy with the prelisting demand, and we started trading at 20 cents.

Carolyn Herbert: Very good, and what value does this place on the company?

Peter Molloy: At 20 cents, the company is worth \$10.5 million, which represents an enterprise value of about \$6 million, so there's a lot of upside given the embedded value in this drug asset.

Carolyn Herbert: And finally Peter where would you like to see the company 12 months from now?

Peter Molloy: Our goal over the next 12 months is to complete the IND process, get the IND filed with the FDA, and position ourselves next year to start the ongoing clinical program in the US, and in parallel, to initiate the Named Patient Program in Europe, so we can start generating sales before the end of the second year.

Carolyn Herbert: Peter Molloy, congratulations on the listing and thank you for the introduction to Race Oncology.

Peter Molloy: Thank you Carolyn.

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