Specialty Pharmaceutical Business

Focused on Fast-to-Market Opportunities

ASX: RAC

Investor Presentation

March 2017

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Race Oncology Overview

- Business Model - Specialty Pharma
  - Rescuing, rediscovering or repurposing overlooked drugs that can deliver early commercial milestones
  - ASX Listing July 2016 (ASX: RAC), raised $4.3m at $0.20
- Market Focus – Oncology
  - Cancer drug market is worth >US$100 billion pa[1]
- Initial Drug Asset - Bisantrene
  - Chemotherapy drug tested in >40 phase II clinical studies before it was lost in a series of pharmaceutical mergers in the 1990s
  - Race owns recent patent filings on Bisantrene
  - Orphan Drug in US - 7 years market exclusivity
  - First sales expected before end of 2017

Corporate Snapshot

Shares on Issue		
Ordinary		52.8m
Performance Shares		10.0m
Options (various)		19.2m
Market Capitalisation		
Share price (1 Mar '17)		$0.19
Market Capitalisation		$11.0m
Net Cash (31 Dec '16)		$3.0m
Major Shareholders		
Update Pharma. Inc.	15.0m	28.4%
Peter Molloy (CEO)	4.0m	7.6%
Top 20 Shareholders	33.0m	62.5%

[1] IMS Health Study: "Global Market for Cancer Treatments Grows to $107 Billion in 2015"

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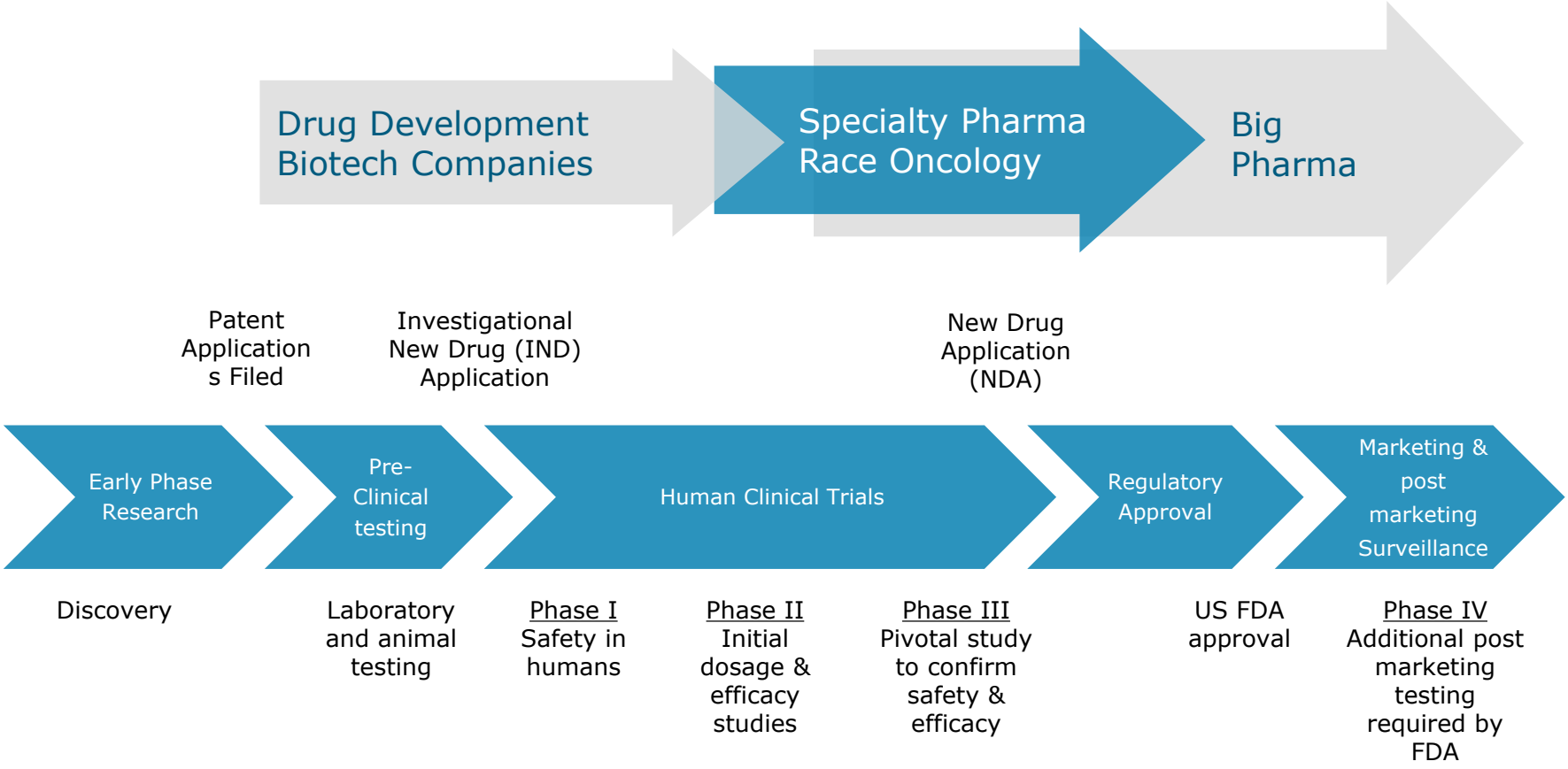
Race Business Model

Pursuing Late Stage Drug Assets



The Drug Development Value Chain

Initial Drug Asset: Bisantrene

- Near Term – European Named Patient Program (NPP)
  - A NPP provides patients with access to life-saving drugs that are not yet approved
  - In certain EU countries, the drug can be sold under the NPP to hospitals and patients
  - Race expects sales of Bisantrene to start before end of 2017
- Longer Term – General marketing approval in the US
  - Bisantrene qualifies for 505(b)(2) pathway to approval
  - 505(b)(2) allows Race to accelerate the regulatory process by using the large database of historical preclinical and clinical data to support its marketing application for Bisantrene
  - Bisantrene may only require a single pivotal clinical (registration) study to gain approval

Dual value creation pathways:

(1) NPP Sales

(2) FDA Approval

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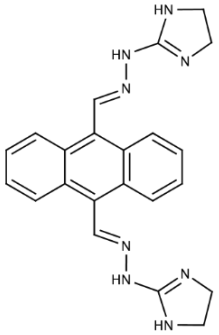
Bisantrene Overview

- Related to the anthracyclines
  - Most frequently prescribed cancer drugs, 1st line treatment for many cancers
  - But anthracyclines cause cardiac toxicity, limiting their usefulness
  - Also, cancers can become resistant to anthracyclines
- Bisantrene advantage
  - Greatly reduced cardiac toxicity
  - Effective in heavily anthracycline pre-treated patients
- Potential uses
  - Cancer patients who have reached their cardio-toxic limit with anthracyclines or whose cancer is resistant to anthracyclines
  - Shown to be active against Acute Myeloid Leukaemia (AML), breast cancer, lymphoma & ovarian cancer



Bisantrene small molecule drug with real advantages

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Bisantrene History

- Developed by US pharma company Lederle in the 1980s
  - Tested in >40 phase II clinical studies by Lederle and US NCI (National Cancer Institute)
  - Est. US$100-200m spent on Bisantrene development (based on 2017 costs for the same studies)
  - Impressive activity in relapsed/refractory Acute Myeloid Leukaemia (AML)
  - Approved, but not marketed, in France in 1990 for treating AML
  - Lost in big pharma mergers in 1990s: Lederle ➜ Wyeth ➜ Pfizer
- Bisantrene re-discovered and rescued in 2013-2016
  - New patents filed (valid to 2034 if granted)
  - Orphan Drug Designation (confers 7 years exclusivity in US)
  - Race Oncology formed to complete development of Bisantrene and bring this valuable drug to market

Rescued late stage drug asset
+ Proven activity
+ Recent patent filings

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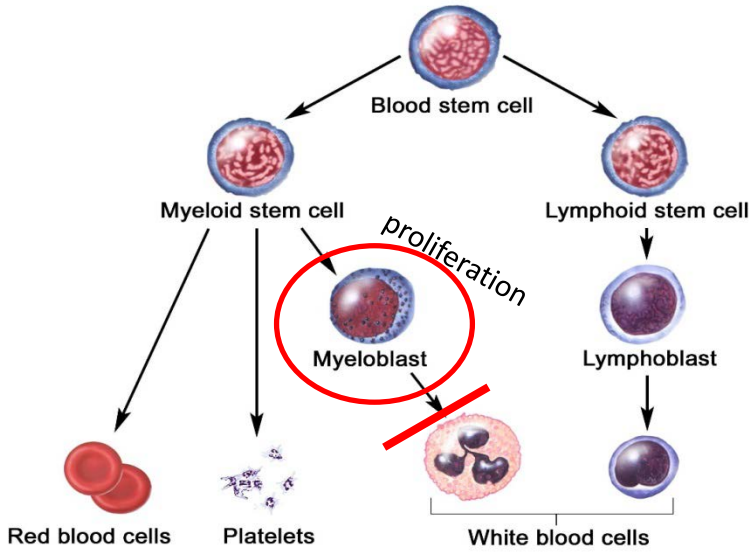
AML (Acute Myeloid Leukemia)

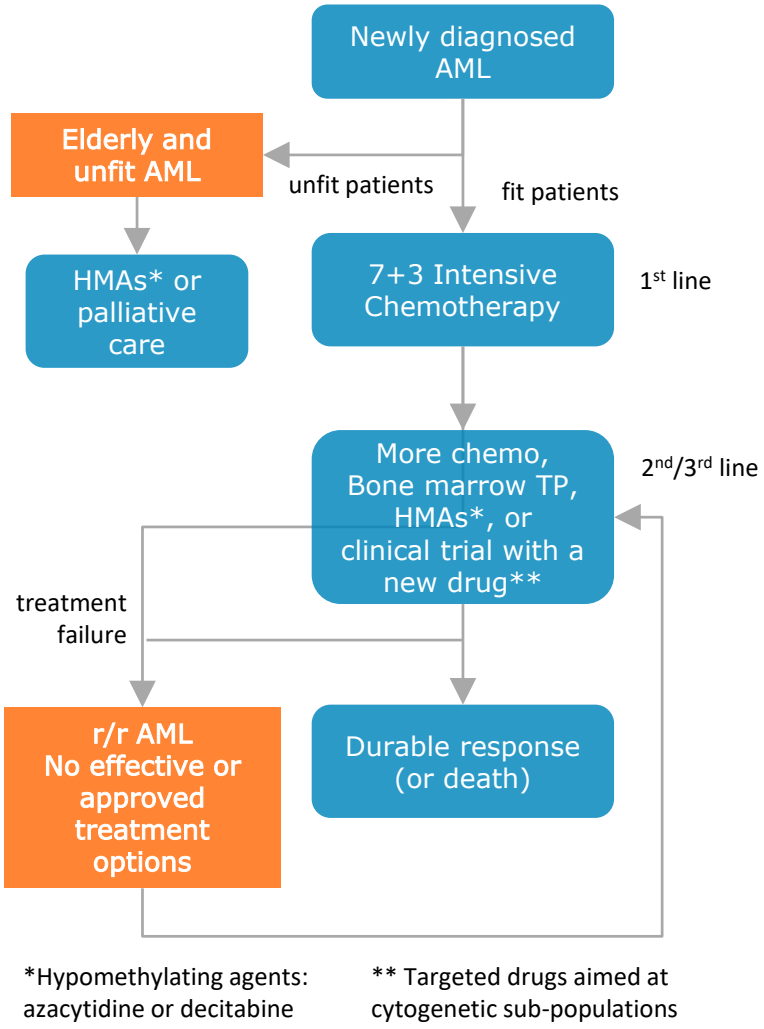
- Progenitor white blood cells (myeloblasts) fail to differentiate into functional white blood cells
  - Myeloblasts proliferate and build up in bone marrow and blood
  - Shortage of crucial white blood cells
- Rapidly progressive
  - 74% die <5 years, mainly due to infections or treatment related mortality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

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



r/r AML: Unmet Medical Need

- 1st line treatment is Intensive Chemotherapy (IC)
  - 7 days of treatment with cytarabine + 3 days with an anthracycline
  - Known as '7+3' chemotherapy
  - Treatment has not improved in 30 years
  - There is no approved 2nd line treatment, but several approaches used in practice
- Once patients fail 1st and 2nd line they are relapsed/refractory (r/r) AML
  - No effective or approved treatment; palliative care often the only option
- Bisantrene will be aimed at r/r AML
  - Potentially elderly and unfit as well



Bisantrene in r/r AML

- Average 48% remission rates in five AML studies (1987-1994)
  - Patients were mostly heavily pretreated with up to 8 cycles of chemotherapy and were relapsed or refractory
- Approved in France in 1990 for treating AML
  - Specifically for r/r AML and AML where anthracyclines were contraindicated
- Race now seeking FDA approval for r/r AML

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

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

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US Approval Pathway: 505(b)(2)

- Pre-IND meeting with FDA 14 Feb 2017
  - Bisantrene qualifies for 505(b)(2) expedited approval pathway
  - Significantly risk-mitigating for Race
- 505(b)(2)
  - Expedited development pathway
  - Can be used where the sponsor uses an identical drug to a previously investigated or approved drug
  - Allows Race to use historical clinical and preclinical data on Bisantrene and not have to repeat these studies

505(b)(2) accelerated approval pathway

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US Pivotal Clinical Trial

- FDA confirmed r/r AML is target indication in US
- Protocol for pivotal (registration) study now being developed
  - Target is r/r AML
  - IND to be filed in 2017
  - Likely a multi-site study: US, France and Australia
- Bisantrene is a late stage clinical asset that could be approved after a single study

Bisantrene could be approved in the US after a single pivotal trial

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Commercial Protection

- Race owns two filed patents on Bisantrene
  - *"Compositions to Improve the Therapeutic Benefit of Bisantrene and Analogs and Derivatives Thereof"*
  - *"Combinatorial Methods to Improve the Therapeutic Benefit of Bisantrene and Analogs and Derivatives Thereof"*
- Both patents are in national phase (pending) in:
  - US, EU, Australia, Canada, China, Korea, New Zealand
  - Patents (if granted) expire 2034
  - Race owns both patents 100% (no royalty payable to others)
- In addition, Bisantrene has been granted an 'Orphan Drug Designation' (ODD) in the US
  - Confers 7 years of market exclusivity in US from date of FDA approval
  - Effectively a 'mini-patent' in its own right
  - European ODD filing has been submitted

Bisantrene has filed patents and additional protection under the US ODD

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European Named Patient Sales

- Race expects first sales of Bisantrene in 2017
  - Under a Named Patient Program (NPP) in Europe
- Named patient sales are legal in France, Italy, Turkey
  - France will the first NPP market for Bisantrene
- NPP sales of unapproved drugs allowed where:
  - Patients have no other treatment recourse (e.g. r/r AML)
  - Patients are nominated by a doctor
  - The indication is an orphan disease and a EU orphan drug designation (ODD) has been granted to the drug
  - NPP is essentially "compassionate use" but the drug can be sold to the hospital (in some cases is paid for by the patient)
- Value of NPP
  - Revenues and profitable cash flow for Race in the medium term
  - Commercial proof-of-principle for Bisantrene and valuable clinical usage by oncologists

Early sales opportunity delivers profitable sales and commercial proof of concept

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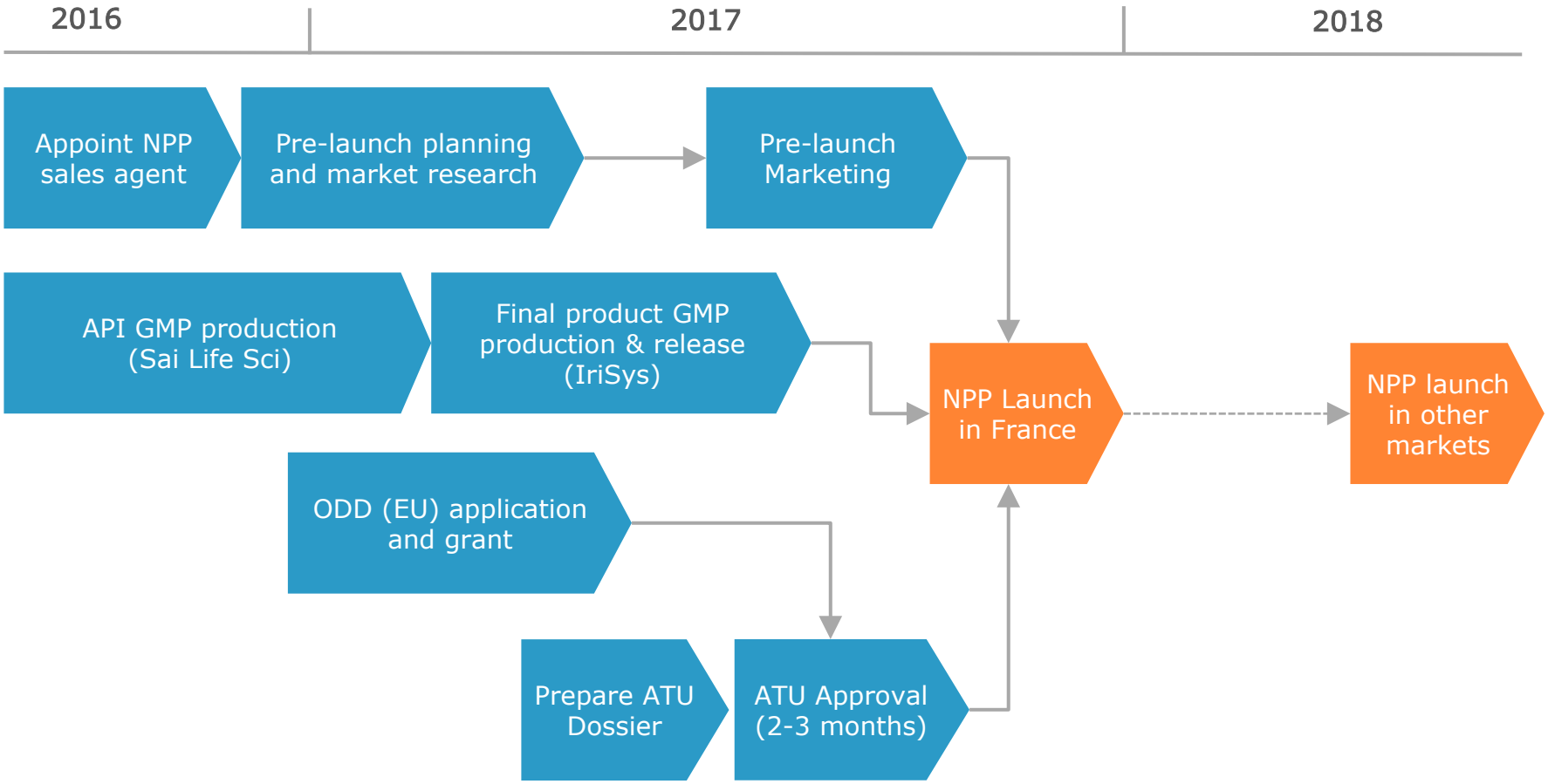
NPP Pathway in France



Race value-added since listing

Key goal	At listing: Jul 2016	+9 months (Mar 2017)
API Manufacturing	No API available Manufacturers still to be identified	GMP manufacturing of API completed with enough drug for NPP and clinical trials
Finished product manufacturing	Manufacturers still to be identified	IriSys appointed, manufacturing of finished product underway
Scientific Advisory Board	No key opinion leaders (KOLs) on board	3 top US KOLs recruited (Memorial Sloan Kettering, Johns Hopkins, Fred Hutchinson)
505(b)(2) development pathway	Not confirmed by FDA No FDA interaction yet	Successful pre-IND meeting 505(b)(2) confirmed with FDA
NPP marketing strategy	No EU NPP sales agent identified	CarthaGenetics appointed Launch plans ready
Clinical strategy	Phase II bridging study before pivotal	May be able to skip bridging study saving 18mths and $3m
EU Orphan Drug Designation	No ODD status in Europe	ODD application filed, awaiting EMA approval

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Milestones 2017-2018

- 2017
  - Complete manufacturing of finished product ready for named patient sales and start of pivotal clinical study
  - Secure EU Orphan Drug Designation in Europe
  - Apply for NPP authorisation in France and generate first sales
  - File IND in US, prepare for pivotal study
- 2018
  - Start pivotal study in r/r AML: US, France, Australia
  - Build NPP sales in France
  - Launch NPP in other EU countries
  - License Bisantrene to NPP markets outside Europe (Asia)

Major value inflexion points in short term

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Management

CEO: Peter Molloy

- Experienced biotech CEO with success on ASX (Biota)
- 17 years big pharma marketing: Int'l Marketing VP, Pharmacia
  Man Director, Pharmacia
- Launched 23 products, 40 licensing deals, delivered 10x growth

CSO: John Rothman PhD

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

Chairman: Bill Garner MD MPH

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

SVP Bus Dev: Gordon Beck

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

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Investment Summary

- Specialty pharma company with low risk business model
- Low base operating cost and expedited path to market
- World-class team with deep oncology and commercial experience
- Bisantrene: late-stage clinical asset that could be approved in the US after a single pivotal trial
- Sales expected to start in 2017 under NPP in Europe
- Near term value inflexion points
  - NPP: EU orphan drug designation, NPP authorisation, complete manufacturing, first sales
  - FDA: File IND, prepare for pivotal clinical trial

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