

Appendix 4E

Preliminary final report

1. Details of reporting period

Name of entity	Race Oncology Limited
ABN	61 149 318 749
Reporting Year	Year ended 30 June 2022
Previous Corresponding Year	Year ended 30 June 2021

2. Results for announcement to the market

Key information	12 months ended 30 June 2022 \$	12 months ended 30 June 2021 \$	Increase/ (decrease) %	Amount change \$
Revenues from ordinary activities	53,915	18,847	186%	35,068
Loss from ordinary activities after tax attributable to members	(11,201,978)	(6,340,319)	(77%)	(\$4,861,659)
Net loss for the year attributable to members	(11,201,978)	(6,340,319)	(77%)	(\$4,861,659)
Net tangible asset per share	0.205	0.070		

3. Statement of profit or loss and other comprehensive income

Refer to attached financial statements.

4. Statement of financial position

Refer to attached financial statements.

5. Statement of cash flows

Refer to attached financial statements.

6. Statement of changes in equity

Refer to attached financial statements.

7. Dividends/Distributions

No dividends declared in current or prior year.

8. Details of dividend reinvestment plans

N/A

9. Details of entities over which control has been gained or lost during the year

N/A

10. Details of associate and joint venture entities

N/A

11. Any other significant information needed by an investor to make an informed assessment of the Company's financial performance and financial position

Refer to attached financial statements.

12. Foreign entities

On 6 October 2017, the Company incorporated a subsidiary in Belgium, **Race Oncology, Company Number 0682664917**. There were no significant financial transactions through the subsidiary for the year ended 30 June 2022.

13. Commentary on results for period and explanatory information

Race Oncology Limited incurred a net loss from operations for the financial year ended 30 June 2022 of \$11,201,978 (2021: \$6,340,319 loss). The net cash outflow from operating activities for the financial year was \$6,257,837 (2021: \$4,697,578). At 30 June 2022, the Group had a cash balance of \$33,540,790 (2021: \$9,322,436) and net assets of \$36,107,409 (2021: \$13,722,464).

14. Audit

This report is based on accounts which have been audited and the audit report is included in the attached consolidated financial statements.



Phillip Lynch
Managing Director

Authorised for release by the Board

26 August 2022



RACE
ONCOLOGY

ASX: RAC

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2022 Annual Report

Novel RNA-directed
therapeutics to treat cancer
& protect the heart

Corporate Directory

DIRECTORS

John Cullity – Non-Executive Chairman
Phillip Lynch – Managing Director and Chief Executive Officer
Daniel Tillett – Executive Director and Chief Scientific Officer
Mary Harney – Non-Executive Director

COMPANY SECRETARY

Peter Webse

REGISTERED OFFICE

Level 36, Gateway, 1 Macquarie Place
Sydney NSW 2000

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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

Automic Registry Services
Level 5, 126 Phillip Street
Sydney NSW 2000

Ph: 1300 288 664

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Chairman's Letter



It is my pleasure to share Race Oncology's Annual Report for the period ended 30 June 2022, which was another significant year for our Company.

Dear Fellow Shareholders,

FY22 was marked by considerable clinical and pre-clinical progress and improved business prospects for Zantrene.

Our pre-clinical program achievements in the year have been transformative and have prepared us well for pursuing clinical translation and assessment of Zantrene in patients. We have made considerable progress in our Acute Myeloid Leukaemia (AML) program, where we are now in the Phase 2 stage of a combination trial in relapsed or refractory (R/R) AML patients in Israel, after successfully completing the dose escalation (Phase 1b) phase. Our Australian trial of Zantrene in extramedullary (EMD) AML and high-risk Myelodysplastic Syndrome (MDS) was opened to patient recruitment. This world-first trial uses Zantrene as both a traditional high-dose chemotherapeutic, but also uniquely in a low-dose form to target FTO inhibition and the m⁶A RNA methylation pathway.

In November 2021 we shared news of our pre-clinical *in vitro* results that showed Zantrene could both improve the anti-cancer effect and protect the heart muscle from chemotherapeutic induced damage when used with a commonly prescribed chemotherapeutic drug, doxorubicin. This significant result was further supported in an animal mouse model of chemotherapy-induced heart damage, with results reported in June 2022 demonstrating the ability of Zantrene to prevent heart damage and improve cancer treatment. This exciting and much-needed cardioprotection opportunity is now being assessed for clinical translation. Commercialisation modelling is also underway to determine optimal clinical positioning.

Race's pursuit of the FTO-targeted opportunity remains a priority and we are pleased to see further global recognition of this approach via additional published pre-clinical studies that validate FTO's role in treating cancer. We have demonstrated excellent preclinical results in AML, breast cancer, ovarian cancer, kidney cancer, and melanoma. Our team continues to work to determine the best cancer indication in which to clinically explore the exciting FTO opportunity.

We are highly grateful of the support of our shareholders and particularly so for the robust support shown through our oversubscribed Share Purchase Plan (SPP) which raised \$29.7 million in December 2021. This capital funds three core clinical program areas: EMD AML, for which we have now added European sites; cardio-protection in breast cancer (Australia); and in solid tumours where we seek to demonstrate Zantrene's potential to target FTO in a world-first clinical trial.

We have allocated smaller amounts of capital to support our drug development and formulation program which is supported by our ongoing collaboration with the University of Wollongong. Prudent financial management saw us finish FY22 with \$33.5 million in cash reserves, versus \$9.3 million in 2021. The financial year loss increased from \$6.4 million to \$11.2 million in 2022 as we purposefully increased investment in our research and development programs.

The Race team has achieved many milestones this year and the Three Pillar strategy guides our focus. Looking ahead, you can expect to see continued pre-clinical progress to provide foundational support for our clinical programs. We will also report on our programs in the clinic through the remainder of FY23.

I would like to take this opportunity to compliment and thank my fellow directors, management, employees, and the wider Race team for an enormous year of achievement. These results and those ahead offer cancer patients the potential for better outcomes. As we continue to move our important programs forward, we hope to see increasing interest in our activities amongst the broader global pharmaceutical industry and look forward to sharing our progress.

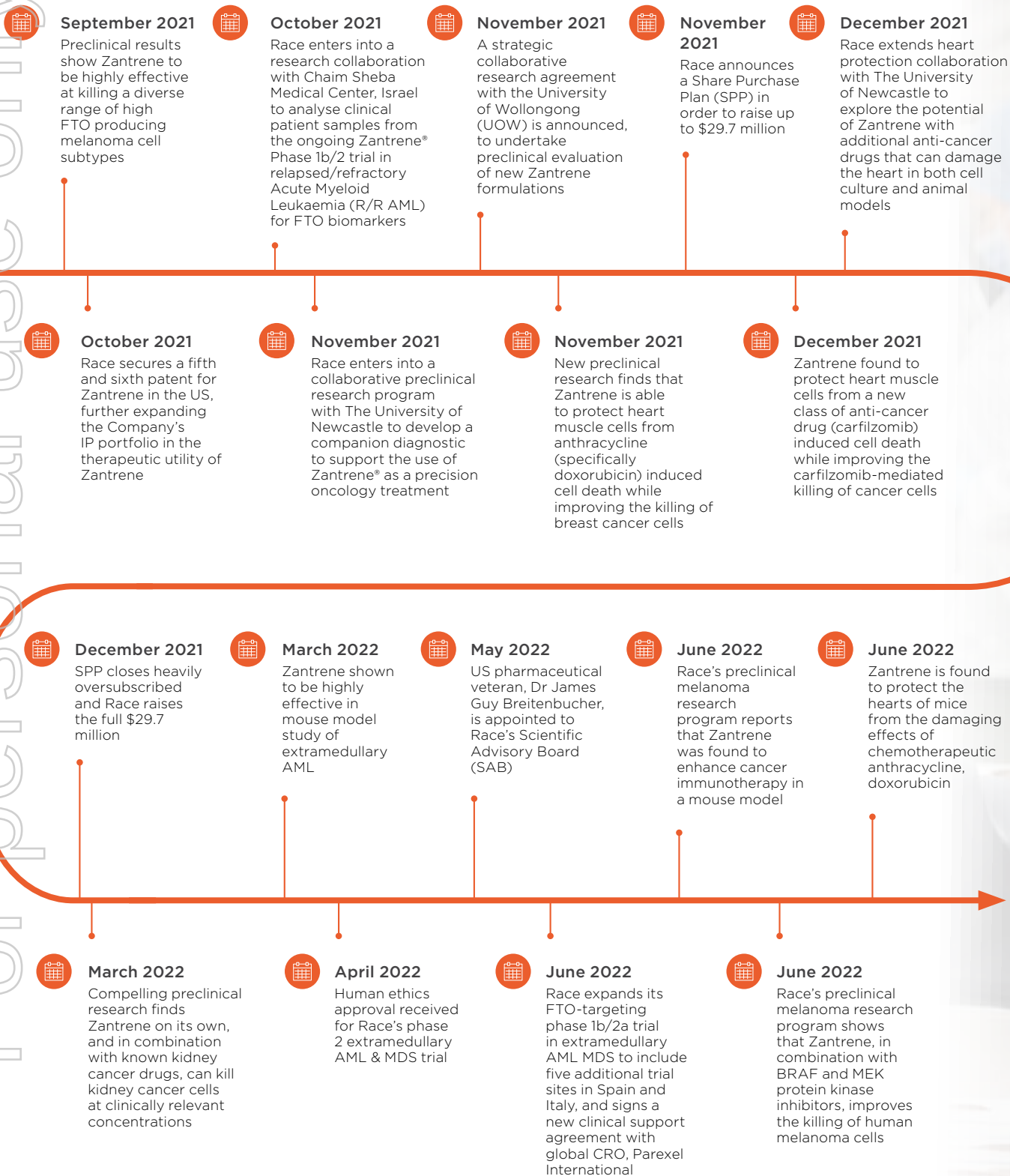


Dr. John Cullity
Non-Executive Chairman



2022 Key Highlights

A year of major developments and clinical achievements for Zantrene®





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 2022.

Information on directors

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

John Cullity

Qualifications

Non-Executive Chairman (appointed as a Director 6 April 2018)

MBBS, MRCP, MSc(Econs), MBA

Experience

Dr Cullity is Managing Director at BioSynergy Partners, a New York and Melbourne based advisory recently spun out of Torreyia – the renowned life sciences investment bank. He additionally serves on the Boards of several life sciences companies including Ceramedix (seeded by Torreyia).

At Torreyia, he provided strategic advisory on Mergers and Acquisitions, Partnering and Financing to life-science companies worldwide. Prior to joining Torreyia, he was a senior member of the Business Development team at Sanofi Pharmaceuticals, where he led buy side transactions in oncology and diabetes. Earlier in his career, Dr Cullity was Head of Strategic Pricing and Reimbursement at Sanofi, Director of Health Economics at Schering-Plough, and Consultant at A.T. Kearney. He has also worked at the World Bank and the World Health Organisation.

Dr Cullity graduated in Medicine and sub-specialised in haematology-oncology at QE II Medical Centre, Perth. He holds a Bachelor of Medicine, Bachelor of Surgery from The University of Western Australia; Membership of the Royal College of Physicians; Masters in Health Economics from London School of Economics & Political Science, and MBA from The Wharton School, University of Pennsylvania.

Interest in shares and options

Personal & related party relevant interests:

- Biosynergy Partners Pty Ltd - 6,102,194 Fully Paid Ordinary Shares
- Craganorig Holdings, LLC - 2,000,000 Fully Paid Ordinary Shares

Directorships held in listed entities

None

Information on directors (continued)

Phillip Lynch	Managing Director and Chief Executive Officer (appointed as a Director 1 June 2020)
Qualifications	Graduate of Monash University with a Bachelor of Business in Marketing. Completed postgraduate studies at University of Virginia's Darden Business School (USA). Graduate of the Australian Institute of Company Directors.
Experience	Mr Lynch has a career spanning more than 30 years in the Asia Pacific region with Johnson & Johnson. 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 at Johnson & Johnson Asia Pacific (J&J AP), 2016 - 2019, Mr Lynch partnered with the Mergers and Acquisitions team to drive the integration and growth of acquired businesses. He retired from J&J AP in December 2019 following the >\$2b acquisition and integration of a significant Japanese business. He is currently the Chair of Consumer Health Products Australia.
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> 429,149 Fully Paid Ordinary Shares
Directorships held in listed entities	None
Daniel Tillett	Executive Director and Chief Scientific Officer (appointed as a Director 17 September 2019)
Qualifications	Ph.D in Molecular Genetics & Biochemistry
Experience	Dr Tillett is the CEO and founder of Nucleics Pty Ltd, a private biotechnology company in the genomics space. He was previously a Senior Lecturer within the School of Pharmacy at La Trobe University where he lectured on biochemistry, biotechnology, pharmacy, microbiology and virology. Dr Tillett's Ph.D on the molecular genetics and biochemistry of microcystin toxin production was awarded by the University of New South Wales in 2000.
Interest in shares and options	Personal & related party relevant interests: • 13,500,301 Fully Paid Ordinary Shares • 2,500,000 Options exercisable at \$0.19 expiring 25/11/2022 • 2,000,000 Options exercisable at \$2.65 expiring 29/11/2025
Directorships held in listed entities	Simble Solutions Limited (Non-executive director appointed 16 February 2022)

Directors' Report

Information on directors (continued)

Mary Harney	Non- Executive Director (appointed 8 February 2021)
Qualifications	BSc, BA (Fine Arts), AICD
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 Chairman of private Australian biotech Oncology One Pty Ltd, a cancer drug discovery company. Ms Harney was formerly the CEO of Royal Australasian College of Surgeons; CEO of Gardiner Research Foundation; 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 Celia Harney <MAA Super Fund A/C> - 23,400 Fully Paid Ordinary Shares
Directorships held in listed entities	None

Peter Webse	Company Secretary
Qualifications	B.Bus, FGIA, FCIS, FCPA, MAICD.
Experience	Mr Webse has over 28 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.

Meetings of directors

During the financial year, eleven 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
John Cullity	11	11
Phillip Lynch	11	11
Daniel Tillett	11	11
Mary Harney	11	11

Principal activities

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

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, breast cancer, and clear cell renal cell carcinoma, all of which are both frequent FTO overexpressing cancers.

In breakthrough preclinical research, Race has also discovered that Zantrene protects the heart from anthracycline-induced damage, while acting in tandem with anthracyclines and proteasome inhibitors to improve their ability to target cancer. Race is advancing this discovery in the laboratory with plans to move to the clinic in 2023.

Principal activities (continued)

The Company has compelling clinical data for Zantrene as a chemotherapeutic agent and is currently undertaking two Phase 1/2 clinical trials in Acute Myeloid Leukaemia (AML).

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

Outlook

Race Oncology is focused on using its Three Pillar strategy, as outlined at the 2021 Annual General Meeting, to achieve contemporary use of Zantrene by clinicians and regulatory approval for its use in a range of cancers. Shareholders supported this updated strategy through the subsequent Shareholder Purchase Plan (SPP) that raised \$29.7 million to fund our strategy (ASX announcement: 23 November 2021).

The SPP funding supports the Company to progress the following programs: a Phase 1b/2 FTO solid tumour clinical trial (\$8.0 million); a cardioprotection Phase 2b clinical trial in breast cancer patients (\$7.5m); expansion of the Phase 2 Extramedullary AML and high-risk Myelodysplastic syndrome (MDS) clinical trial to Europe (\$9.2 million); enhanced formulations of Zantrene (\$3.2 million); preclinical cardioprotection studies (\$1.0 million); and the development of new molecules (\$0.8 million).

Clinical progress saw the Israel R/R AML combination trial move from Phase 1b to Phase 2 in FY22. Further progress is expected through FY23. The EMD AML trial in Australia is recruiting and the additional European expansion has been confirmed, extending the EMD AML study to Italy and Spain. All current clinical trials are open-label, so we look forward to reporting results on patient groups as they progress.

The cardioprotection program has seen *in vitro* cell data now replicated via an *in vivo* animal study, providing confirmation that Zantrene, when combined with doxorubicin, improves cancer efficacy, while also mitigating cardiac damage, even at higher, more effective dosing. Plans to translate this to clinical evaluation are underway, as are commercial evaluations of how best to position this opportunity.

Preclinical findings both within Race and globally continue to identify FTO and the broader m⁶A pathway as an exciting and novel means of targeting many different cancer types. Race will assess and determine the best proof of concept solid cancer type to target and identify approaches that will help to qualify its clinical application.

Race has additional programs underway to expand Zantrene's application and intellectual property through chemical, manufacturing, and formulation initiatives. We expect continued expansion of our patent portfolio based on these initiatives over the coming year.

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.

	2022	2021	2020	2019	2018
NPAT(\$'m)	(11.20)	(6.34)	(3.85)	(3.66)	(6.31)
Share price at year end (\$)	1.95	3.67	0.70	0.05	0.21
Basic EPS (cents)	(7.28)	(4.84)	(3.60)	(4.60)	(9.40)
Total dividends (cents per share)	-	-	-	-	-

Operating results

The operating loss after providing for income tax amounted to \$ 11,201,978 (2021: loss of \$ 6,340,319); net cash used in operating activities was \$ 6,257,837 (2021: \$ 4,697,578)

Directors' Report

Dividends paid or recommended

No dividends were paid or are payable for the financial year (2021: Nil).

Review of operations

On 9 August 2021, Race announced that the first patient had been dosed in its Phase 1b/2 AML clinical trial at the Chaim Sheba Medical Center Israel under Principal Investigator, Professor Arnon Nagler. Treating the first patient is an important step in any trial and builds upon earlier Phase 2 trial results, where a 40% overall clinical response rate was observed (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 on its preclinical and clinical programs, noting some COVID-19-related slowdowns in NSW, with significant progress occurring outside of the state.

On 6 & 19 October 2021, Race announced that it had been granted its fifth and sixth USA patents, providing additional protection around the use, formulation, and compositions of Zantrene for improving the efficacy of related treatments.

On 27 October 2021, Race announced an FTO biomarker research collaboration with Chaim Sheba Hospital, Israel. This research program will see an analysis of clinical patient samples by Dr Dom Dominissini, to assess the FTO biomarker and m6A RNA methylation status in patients treated with Zantrene.

On 1 November 2021, Race announced the submission of its human ethics application to enable the commencement of a Phase 1b/2 extramedullary AML & MDS trial. This clinical program underpins future registration trials in the EU and US for Zantrene. The study is led by Associate Professor Anoop Enjeti (Calvary Mater Hospital, Newcastle) with the support of the Contract Research Organisation, Parexel.

On 3 November 2021, Race initiated a collaboration study to develop a genomics-based companion diagnostic for Zantrene to support its use as a precision oncology drug. This study will be led by the experienced genomics researcher Professor Murray Cairns at the University of Newcastle. It will utilise the latest RNA genomics tools to identify genetic biomarkers associated with cancer's sensitivity to Zantrene at the patient- specific level.

On 9 November 2021, Race announced the initiation of a strategic collaboration with The University of Wollongong, focused on the optimisation of new formulations to support long-acting peripheral intravenous delivery of Zantrene. This collaboration will also pursue the development of an oral formulation of Zantrene. It will be led by experienced oncology formulator, Professor Marie Ranson, in collaboration with Race's Principal Scientist, Professor Michael Kelso. This research is further supported by the appointment of Dr Ben Buckley as a Senior Scientist.

On 22 November 2021, Race announced a preclinical breakthrough heart protection discovery for Zantrene. While anthracyclines are effective anti-cancer drugs, they carry a serious risk of causing permanent heart damage. Zantrene was shown to protect heart muscle cells from anthracycline-induced death when used in combination with anthracyclines. Furthermore, the combination of Zantrene and the anthracycline doxorubicin was found to better kill cancer cells. This cardioprotective effect was independent of the FTO inhibiting activity of Zantrene and provides Race with an entirely novel and significant, new commercial opportunity.

Review of operations (continued)

On 23 November 2021, Race announced an update to its “Three Pillar Strategy” at the Company’s AGM, along with a Share Purchase Plan (SPP), designed to fund execution of the new strategy and to capitalise on the expanded commercial potential of Zantrene, by pursuing the following activities:

- **Pillar 1 – Current Zantrene**, expanding the EMD AML & FTO clinical programs, initiating a US IND, and progressing the cardio-protective opportunity.
- **Pillar 2 – Optimising Zantrene**, development to improve utility via improved IV, and oral formulations, and associated IP.
- **Pillar 3 – Beyond Zantrene**, utilises team capabilities to pursue new RNA targeting molecules, via internal development, partnership, and/or acquisition.

The SPP was announced with three levels of potential funding to support an expanded FTO-targeted clinical program in solid tumours, improved formulations, a cardioprotection clinical program, new drug development, and expansion of the Phase 1b/2 EMD AML program into Europe.

The SPP was launched at \$3.00 per share to shareholders of record on 22 November 2021, and closed on 17 December 2021, with the maximum raise capped at \$29.7 million.

On 8 December 2021, Race announced an additional heart protection preclinical discovery. Zantrene was found to protect heart muscle cells from damage caused by the Multiple Myeloma drug, carfilzomib (Kyprolis®) while synergising to improve its anti-cancer effects. This cardioprotective observation broadens the formulation and potential commercial opportunities for Zantrene via the development of new Zantrene / carfilzomib formulations.

On 10 December 2021, Race announced an extension to its heart protection collaboration with the University of Newcastle. This program extension plans to assess the cardioprotective potential of Zantrene with additional anti-cancer drugs where heart damage is a known treatment risk.

On 21 December 2021, Race announced raising the full \$29.7 million target in a heavily oversubscribed SPP. This enables the progression of the FTO solid tumour Phase 1b/2 clinical trial, cardioprotective preclinical and clinical Phase 2b trial, expansion of the EMD AML Phase 1b/2 trial into Europe, improved Zantrene formulations, and new molecule development.

On 18 January 2022, Race announced that it had received a \$707,557 R&D tax refund for the financial year ended 30 June 2021. This reflects investment in Australian-based R&D projects and encourages us to utilise Australian-based research resources, where possible.

On 23 February 2022, Race announced that MD Anderson Cancer Centre collaborators had published an AML preclinical study on Zantrene in the *Journal of Leukemia & Lymphoma*. The study identified that Zantrene, when used in combination with the AML drugs venetoclax, panobinostat, decitabine, and olaparib synergised in killing AML cells. This work supports our extramedullary AML trial plans where Zantrene will be used in combination with decitabine and cytarabine.

On 10 March 2022, Race announced the results of a preclinical study that confirmed compelling kidney cancer results for Zantrene, both on its own and in combination with known cancer agents. Cell Killing synergies were observed when Zantrene was combined with either lenvatinib, cabozantinib, or pazopanib. These results support advancing Zantrene into human kidney cancer trials.

On 17 March 2022, Race announced results from an extramedullary AML mouse model which showed high efficacy for Zantrene when used in combination with decitabine, to target extramedullary tumours, as well as AML cells in the bone marrow and spleen. These results support our Extramedullary AML clinical trial.

On 30 March 2022, Race announced it had signed a clinical trial collaboration and supply agreement with Astex Pharmaceuticals, to supply ASTX727 (oral decitabine and cedazuridine) for Race’s Phase 1b/2 EMD AML study, entitled *B/Santrene Extramedullary ChemoTherapy (BISECT) (RAC-006)*.

Directors' Report

Review of operations (continued)

On 6 April 2022, Race announced that it had received human ethics approval for its open-label, BISECT clinical trial of Zantrene in patients with extramedullary Acute Myeloid Leukaemia (AML) or high-risk Myelodysplastic Syndrome (MDS). This is the first clinical trial in the world to investigate the targeting of FTO and m⁶A RNA methylation as a potential cancer therapy.

On 12 May 2022, Race announced it had received Research Governance Office (RGO) approval from the Calvary Mater Newcastle Hospital for its open-label Phase 1b/2 BISECT clinical trial of Zantrene in patients with extramedullary Acute Myeloid Leukaemia or high-risk Myelodysplastic Syndrome.

On 18 May 2022, Race announced that it had appointed Dr James Guy Breitenbucher to its Scientific Advisory Board (SAB). Dr Breitenbucher brings to Race an extensive drug discovery and clinical development history, having spent more than 26 years in scientific leadership positions at a range of large and small pharmaceutical companies, including Johnson & Johnson, Convelo Therapeutics, Libra Therapeutics, Dart Neuroscience, Axys Pharmaceuticals, and Bristol Myers Squibb.

On 27 May 2022, Race announced results from the dose escalation Phase 1b stage of the relapsed or refractory Acute Myeloid Leukaemia (R/R AML) trial running at the Chaim Sheba Medical Centre, Israel. The Phase 1b stage was successfully completed after the treatment of six patients. Encouraging clinical responses were observed in this very heavily pre-treated AML patient population (median 4 prior lines of treatment) with 3 of the 6 patients bridged to stem cell transplants. The study led by Professor Arnon Nagler then advanced to the Phase 2 efficacy stage with the intention of recruiting up to 17 patients.

On 8 June 2022, Race announced it was expanding the FTO-targeted BISECT (RAC-006) clinical trial in extramedullary Acute Myeloid Leukaemia (EMD AML) and Myelodysplastic Syndromes (MDS) to include five additional trial sites in Spain and Italy. A new clinical support agreement was also signed with the global Clinical Research Organisation, Parexel International, to support the additional trial monitoring activities. The total study costs are expected to be in the range of A\$7.7 million to a maximum of A\$15.4 million. The final cost is dependent on the location and number of patients screened and enrolled in the trial.

On 9 June 2022, Race announced the Board had approved an on-market share buyback for up to 4 million ordinary shares over the next 12 months. All committed clinical and preclinical programs as outlined in the November 2021 Share Purchase Plan remain fully funded. The structure of an on-market buyback allows the company to take advantage of share price volatility through opportunistic share purchases, during periods in which the share price does not reflect the robust outlook for the company.

On 21 June 2022, Race announced two peer-reviewed research abstracts, detailing new preclinical data on the anti-cancer uses of Zantrene (also known as bisantrene or CS1), which had been published in the prestigious scientific journal, *Cancer Research*. Publication followed their recent presentation at the American Association of Cancer Research (AACR) Annual Conference in New Orleans, from April 8 – 13, 2022. The first abstract demonstrated the ability of Zantrene to target FTO in the suppression of pancreatic cancer. The second abstract discussed the potential use of Zantrene as an adjunctive treatment to overcome 5-FU-based chemotherapy resistance for colorectal cancer patients. These independent results add to Race's own reported preclinical and clinical data, showing the potential of Zantrene in targeting FTO in AML, breast cancer, ovarian cancer, melanoma, and kidney cancer.

On 22 June 2022, Race announced further interim results from its preclinical melanoma research program (ASX announcement: 19 March 2021). Used at low concentrations, Zantrene was found to enhance cancer immunotherapy in three distinct and complementary ways: (1) direct killing of melanoma cells; (2) activation of immune cells targeting the tumour, and (3) reducing expression of immune evasion genes in the tumour. The results are supportive of future clinical trials using Zantrene in combination with immune therapy treatments to potentially improve melanoma patient outcomes.

On 28 June 2022, Race announced the final results of the preclinical melanoma research program in collaboration with the University of Newcastle. Zantrene in combination with BRAF and MEK protein kinase inhibitors was found to improve the killing of human melanoma cells and to better target melanoma in organoid and animal tumour models. These discoveries offer potential non-immunotherapeutic uses of Zantrene in melanoma treatment.

Review of operations (continued)

On 30 June 2022, Race announced additional interim results from the preclinical cardioprotection program. Zantrene was found to protect the hearts of mice from the damaging effects of anthracyclines (specifically doxorubicin) - even when the chemotherapeutic dose was increased - without significant additional toxicity or bone marrow suppression.

Significant Events after the reporting date

On multiple dates, through July and up until 16 August 2022 Race has confirmed the on-market purchase of shares in line with its on-market buyback (ASX announcement: 9 June 2022). The Company purchased a total of 117,471 shares at an average cost of \$2.15 per share and a total cost of \$252,157 to 16th August 2022.

On 15 August 2022, Race issued the following unlisted options to its employees:

- 132,000 unlisted options at an exercise price of \$2.46 expiring on 22 June 2027.
- 111,000 unlisted options at an exercise price of \$3.17 expiring on 15 August 2027.

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 the Group, the results of those operations or the state of affairs of the Group 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 Zantrene in a number of targeted oncology indications, with the aim of achieving a commercial outcome for shareholders via sale, partnerships, or licensing to scaled pharmaceutical companies.

We have further enhanced our teams' capabilities to support the expanded Three Pillar program and have implemented clear and costed plans to execute this strategy. Shareholders can expect that we will continue to share progress, evaluate alternatives, and proceed with due care and attention in order to achieve improved patient outcomes, while partnering with clinicians and other stakeholders to maximise shareholder value.

These programs and the results from them have the potential to attract increasing industry interest in Zantrene and we will be focused on seeing this potential realised, at the appropriate time, in a manner that creates a suitably rewarding outcome for all shareholders.

Environmental regulations

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

Proceedings on behalf of the 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.

Directors' Report

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	Number of shares under Option
22 January 2019	21 January 2024	\$0.120	420,000
26 November 2019	25 November 2022	\$0.190	2,500,000
05 December 2019	05 December 2024	\$0.180	840,000
28 January 2020	23 January 2025	\$0.275	2,400,000
17 February 2020	17 February 2024	\$0.490	2,400,000
30 November 2020	29 November 2025	\$2.650	4,000,000
01 July 2021	01 July 2026	\$4.900	500,000
12 July 2021	12 July 2026	\$4.760	270,000
03 December 2021	03 December 2026	\$4.770	150,000
15 August 2022	22 June 2027	\$2.46	132,000
15 August 2022	15 August 2027	\$3.17	111,000
			13,723,000

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 ended 30 June 2022 the Company issued 5,968,939 fully paid ordinary shares on exercise of various options (2021: 21,916,968 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 a contravention of the Corporations Act 2001. 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

Details of amounts paid or payable to the auditor for non-audit service provided during the year is outlined in Note 6 to the financial statements.

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the service as disclosed in Note 6 to the financial statements do not compromise the external auditor's independence, based on resolution of the directors, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence set out in APES 110 "Code of Ethics for Professional Accountants" issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity of the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 19 of the financial report.

Directors' Report

Remuneration report (audited)

This remuneration report for the year ended 30 June 2022 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 comprise 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
John Cullity	Non-Executive Chairman	6 April 2018
Phillip Lynch	Managing Director and Chief Executive Officer	1 June 2020
Daniel Tillett	Executive Director and Chief Scientific Officer	17 September 2019
Mary Harney	Non-Executive Director	8 February 2021

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 committees. 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) (continued)

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 creation of value for shareholders. Compensation packages may include a mix of fixed compensation, equity-based compensation, short term incentives 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 has three appointed executives, being Mr Phillip Lynch as Managing Director and CEO, Dr Daniel Tillett as the Executive Director and Chief Scientific Officer and Dr David Fuller as Chief Medical Officer. The terms of all Executive Employment Agreements in place during the financial year are summarised below.

Executive Name	Remuneration
----------------	--------------

Mr Phillip Lynch	The terms of the Executive Employment Agreement are as follows: • The agreement is for a term of two years from commencement date • The annual salary is set at \$200,000 plus superannuation (0.5 FTE assumption) • The annual salary was increased to \$300,000 plus superannuation (0.75 FTE assumption) with effect from 01/04/2022 • Performance Bonus STI – 40% target subject to Board assessment of KPI delivery • Issue of 2,000,000 options with exercise price of \$2.65 and expiry date of 29 November 2025. The options vest 1/3rd at 12 months and the balance equally over months 13-36. • The notice period is 3 months.
Dr Daniel Tillett	The terms of the Executive Employment Agreement are as follows: • The agreement is for a term of two years from commencement date • The annual salary is set at \$200,000 plus superannuation (0.5 FTE assumption) • The annual salary was increased to \$300,000 plus Superannuation (0.75 FTE assumption) with effect from 01/04/2022. • Performance Bonus STI – 40% target subject to Board assessment of KPI delivery. • Issue of 2,000,000 options with exercise price of \$2.65 and expiry date of 29 November 2025. The options vest 1/3rd at 12 months and the balance equally over months 13-36. • The notice period is 3 months.
Dr David Fuller	The terms of the Executive Employment Agreement are as follows: • The agreement is for a term of three years from commencement date • The annual salary is set at \$345,000 plus superannuation • Performance Bonus STI – 40% target subject to Board assessment of KPI delivery • Issue of 500,000 options with exercise price of \$4.90 and expiry date of 1 July 2026. The options vest as follows: 166,667 on the date, which is 12 months from issue date, 13,888 options will vest on each monthly anniversary of the first vesting date, for a 23 month period; and 13,909 options will vest on the date which is 24 months from the first vesting date. • The notice period is 3 months.

Directors' Report

Remuneration report (audited) (continued)

3. Executive remuneration arrangements (continued)

At this stage the Board does not consider the Company's earnings or earnings related measures to be an appropriate key performance indicator (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 to comparable 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 \$400,000 per annum and any change is subject to approval by shareholders at a 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 \$172,800 (2021: \$180,111) and cover main Board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company.

At the AGM held on 23/11/2021, 99.98% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021.

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;

- Director (Executive or Non-Executive) of the Company;
- a full time or part time employee of the Company; and
- a casual employee or contractor of the Company to the extent permitted by the class order.

The purpose of the plan is to:

- assist in the reward, retention and motivation of Eligible Participants;
- link the reward of Eligible Participants to the performance and creation of shareholder value;
- align the interests of Eligible Participant's more closely with the interests of Shareholders by providing an opportunity for Eligible Participants to received Shares;
- provide greater incentive for Eligible Participants to focus on the Company's longer term goals; and
- provide Eligible Participants with the opportunity to share in any future growth in value of the Company.

Remuneration report (audited) (continued)

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

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 option plan (ESOP options) to any full or part time employees or Director of the Company, and in accordance with, any necessary 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.

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

	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other/Bonus ¹	Share-based payment ²	Total	Performance based remuneration
	\$	\$	\$	\$	\$	
30 June 2022						
Directors						
John Cullity	120,000	-	-	-	120,000	-
Phillip Lynch	227,507	27,500	120,000	835,602	1,210,609	10%
Daniel Tillett	227,507	27,500	120,000	835,602	1,210,609	10%
Mary Harney	48,000	4,800	-	-	52,800	-
KMP						
David Fuller	343,750	28,750	126,960	749,249	1,248,709	10%
	966,764	88,550	366,960	2,420,453	3,842,727	

¹ As per Mr Lynch and Mr Tillett employee agreement, the annual Short -Term Incentive (STI) bonus is capped at 40% of Salary. The above amounts represent bonus accrual. As per Mr Fuller employee agreement, the Performance Bonus STI is 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 remuneration for the financial year were issued and vested within the period.

Directors' Report

Remuneration report (audited) (continued)

6. Details of Remuneration (continued)

	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other/Bonus ¹	Share-based payment ²	Total	Performance based remuneration
2021	\$	\$	\$	\$	\$	
Directors						
John Cullity	120,000	-	-	4,949	124,949	-
Phillip Lynch	173,973	16,527	60,000	762,190	1,012,690	6%
Daniel Tillett	166,667	15,833	60,000	811,190	1,053,690	6%
Mary Harney ³	19,000	1,805	-	-	20,805	-
Borje Anderson ⁴	112,713	-	-	354,928	467,641	-
William Garner ⁵	16,000	-	-	-	16,000	-
Chris Ntoumenopoulos ⁶	16,000	-	-	-	16,000	-
KMP						
David Fuller ⁷	11,500	1,093	-	-	12,593	-
	635,853	35,258	120,000	1,933,257	2,724,368	

¹ As per Mr Lynch and Mr Tillett employee agreement, the annual Short -Term Incentive (STI) bonus is capped at 40% of Salary. The above amounts represent bonus accrual for the 9 months period to 30 June 2021 and accumulated amounts to 30 June 2022

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 remuneration for the financial year were issued and vested within the period.

³ Appointed on 8 February 2021

⁴ Resigned as a Director on 10 December 2020 and as Chief Medical Officer on 19 February 2021, effective 18 May 2021

⁵ Resigned on 28 October 2020

⁶ Resigned on 28 October 2020

⁷ Commenced on 15 June 2021

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

	Balance at beginning of year No.	Granted as remuneration during the year No.	Issued on exercise of options during the year No.	Other changes during the year No.	Balance at the end of year No.
30 June 2022					
Directors					
John Cullity	3,787,878	-	4,893,939	(579,623)	8,102,194
Phillip Lynch	419,149	-	-	10,000	429,149
Daniel Tillett	13,450,000	-	-	50,301	13,500,301
Mary Harney	13,400	-	-	10,000	23,400
KMP					
David Fuller	500	-	-	1,399	1,899
	17,670,927	-	4,893,939	(507,923)	22,056,943

Remuneration report (audited) (continued)

7. Additional disclosures relating to options and shares (continued)

Options awarded, vested and lapsed during the year

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 year	No. lapsed during year	Value of options granted during the year	Value of options exercised during the year
David Fuller	2022	500,000	15/06/2021	\$2.13	15/06/2022	\$4.90	15/06/2026	-	-	\$1,062,918.93	-
Phillip Lynch	2021	-	30/11/2020	\$0.91	30/11/2021	\$2.65	29/11/2025	1,055,552	-	-	-
Daniel Tillett	2021	-	30/11/2020	\$0.91	30/11/2021	\$2.65	29/11/2025	1,055,552	-	-	-
John Cullity	2019	-	27/11/2018	\$0.07	27/02/2019	\$0.23	27/11/2021	-	-	-	\$13,376.52
John Cullity	2020	-	26/11/2019	-	26/11/2019	\$0.25	12/11/2021	-	-	-	\$54,208.33

Shares issued on exercise of options

The table below discloses the number of shares issued on exercise of options at 30 June 2022.

30 June 2022	Shares issued No.	Paid per share
J. Cullity	1,893,939	0.099
J. Cullity	1,000,000	0.250
J. Cullity	2,000,000	0.230

Directors' Report

Remuneration report (audited) (continued)

7. Additional disclosures relating to options and shares (continued)

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

30 June 2022	Balance at beginning of year No.	Granted as remuneration No.	Exercised No.	Other changes ¹ No.	Balance at the end of year No.	Vested during the year No.	Vested and exercisable No.	Unvested
Directors								
John Cullity	5,083,333	-	(4,893,939)	(189,394)	-	-	-	-
Phillip Lynch	2,020,958	-	-	(20,958)	2,000,000	-	-	2,000,000
Daniel Tillett	5,172,500	-	-	(672,500)	4,500,000	-	2,500,000	2,000,000
Mary Harney	400	-	-	(400)	-	-	-	-
KMP								
David Fuller	25	500,000	-	(25)	500,000	-	-	500,000
	12,277,216	500,000	(4,893,939)	(883,277)	7,000,000	-	2,500,000	4,500,000

1. Other changes include options issued that have expired during the year and bonus options issued.

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

Purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company acquired no services from entities that are controlled by members of the Company's key management personnel.

End of Audited Remuneration Report

Signed in accordance with a resolution of the Directors:



Mr Phillip Lynch

Managing Director & CEO

Dated: 26 August 2022

Auditor's Independence Declaration



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 financial year ended 30 June 2022, 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
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 26th day of August 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2022

		2022	2021
	Note	\$	\$
Interest received		53,915	18,847
Other income	4	707,807	424,885
Administrative expenses		(95,113)	(67,829)
Accounting and audit fees		(147,410)	(98,666)
Amortisation	12	(281,196)	(281,196)
Business development and marketing		(176,560)	(174,263)
R&D manufacturing and distribution		(990,259)	(620,078)
Corporate advice expenses	5	(203,936)	(324,898)
Non-Executive Director fees		(168,000)	(178,306)
Employee benefits expense		(447,266)	(216,524)
Research and development expense	5	(5,831,954)	(2,199,539)
Share based payment expense	17	(3,071,855)	(2,276,196)
Share registry expense		(53,007)	(37,818)
Travel and accommodation		(19,373)	(874)
Other expenses	5	(477,771)	(307,864)
Loss from ordinary activities before income tax expense		(11,201,978)	(6,340,319)
Income tax expense relating to ordinary activities	8	-	-
Loss from ordinary activities after income tax expense		(11,201,978)	(6,340,319)
Other comprehensive loss for the year			
Foreign currency translation (net of tax)		653	(553)
Total comprehensive loss for the year attributable to members of the Company		(11,201,325)	(6,340,872)
Basic loss per share (cents per share)	7	(7.31)	(4.84)
Diluted loss per share (cents per share)	7	(7.31)	(4.84)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

as at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	33,540,790	9,322,436
Trade and other receivables	10	62,465	128,169
Other assets	11	547,144	1,139,423
TOTAL CURRENT ASSETS		34,150,399	10,590,028
NON-CURRENT ASSETS			
Intangible assets	12	3,374,350	3,655,546
TOTAL NON-CURRENT ASSETS		3,374,350	3,655,546
TOTAL ASSETS		37,524,749	14,245,574
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,323,878	492,157
Provisions	14	93,462	30,953
TOTAL CURRENT LIABILITIES		1,417,340	523,110
TOTAL LIABILITIES		1,417,340	523,110
NET ASSETS		36,107,409	13,722,464
EQUITY			
Issued and unissued capital	15	62,016,810	31,495,411
Reserves	16	7,765,996	4,693,488
Accumulated losses		(33,675,397)	(22,466,435)
TOTAL EQUITY		36,107,409	13,722,464

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2022

		Issued Capital	Reserves	Accumulated Losses	Total
	Note	\$	\$	\$	\$
Balance at 1 July 2021		31,495,411	4,693,488	(22,466,435)	13,722,464
Loss for the year		-	-	(11,201,978)	(11,201,978)
Other comprehensive loss	16	-	653		653
Total comprehensive loss for the year		-	653	(11,201,978)	(11,201,325)
Transactions with owners, recognised directly in equity					
Share based payment transactions	17	-	3,071,855	-	3,071,856
Shares issued during the year	15	29,699,536	-	(6,984)	29,692,552
Exercise of options	15	1,293,500	-	-	1,293,500
Capital raising costs	15	(471,637)	-	-	(471,637)
Balance at 30 June 2022		62,016,810	7,765,996	(33,675,397)	36,107,409

		Issued Capital	Reserves	Accumulated Losses	Total
		\$	\$	\$	\$
Balance at 1 July 2020		19,660,008	1,800,587	(15,770,560)	5,690,035
Loss for the year		-	-	(6,340,319)	(6,340,319)
Other comprehensive loss	16	-	(553)	-	(553)
Total comprehensive loss for the year		-	(553)	(6,340,319)	(6,340,872)
Transactions with owner, recognised directly in equity					
Conversion of performance shares					
Shares issued during the year	15	7,955,556	800,000	(355,556)	8,400,000
Share based payments	17	-	2,093,454	-	2,093,454
Exercise of options	15	4,390,377	-	-	4,390,377
Capital raising costs	15	(510,530)	-	-	(510,530)
Balance at 30 June 2021		31,495,411	4,693,488	(22,466,435)	13,722,464

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2022

		2022	2021
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Other income		250	50,000
Interest received		53,915	18,847
Research and development refund received		707,557	387,385
Payments for research and development		(5,284,958)	(3,011,815)
Payment for business development and marketing		(200,849)	(201,652)
Payment for manufacturing and distribution		(951,992)	(650,321)
Payments to suppliers and employees		(581,760)	(1,290,022)
Net cash used in operating activities	18	(6,257,837)	(4,697,578)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		29,684,402	8,400,000
Proceeds from the issue of shares on exercise of options		1,293,500	4,390,377
Capital raising costs		(463,486)	(510,530)
Net cash provided by financing activities		30,514,416	12,279,847
Net increase in cash and cash equivalents held		24,256,579	7,582,269
Foreign currency translation		(38,224)	9,394
Cash and cash equivalents at beginning of year		9,322,435	1,730,773
Cash and cash equivalents at end of financial year	9	33,540,790	9,322,436

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2022

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 on 26 August 2022 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 Significant Accounting Policies

(a) Statement of Compliance

The Financial Report is a General Purpose Financial Report, which has been prepared in accordance with Australian Accounting Standards Board (AASB) (including Australian Accounting interpretations and other authoritative pronouncements) adopted by the Australian Accounting Standards Board (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 as 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.

(c) Income Tax (continued)

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.

Notes to the Financial Statements

for the year ended 30 June 2022

(d) Financial instruments (continued)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(d) Financial instruments (continued)

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 cash-generating unit.

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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit 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.

Notes to the Financial Statements

for the year ended 30 June 2022

(f) Intangible assets other than goodwill (continued)

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.

(i) Goods and services tax (GST)

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 Australian Taxation Office (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.

(i) Goods and services tax (GST) (continued)

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 wages 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 oncology drug, Zantrene 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.

Notes to the Financial Statements

for the year ended 30 June 2022

(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

There are no Australian accounting standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Company for the year ended 30 June 2022 which are expected to have a material impact on the Company in future reporting period.

(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 Australian Taxation Office.

2 Critical Accounting Estimates and Judgments (continued)

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 Key Management Personnel during the year are as follows:

	2022	2021
	\$	\$
Short-term employee benefits	1,333,724	755,853
Post-employment benefits	88,550	35,258
Equity settled	2,420,453	1,933,257
	<u>3,842,727</u>	<u>2,724,368</u>

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 key management personnel (KMP) for the year ended 30 June 2022.

4 Other Income

	2022	2021
	\$	\$
Other income		
- Research and development tax incentive	707,557	387,385
- ATO cashflow boost, COVID-19 business incentive	-	37,500
	<u>707,557</u>	<u>424,885</u>

Notes to the Financial Statements

for the year ended 30 June 2022

5 Loss for the Year

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

	2022	2021
	\$	\$
Research and development expense		
- R&D preclinical research	665,091	815,202
- R&D consultants	1,687,448	681,728
- R&D other	3,479,415	702,610
Total research and development expense	5,831,954	2,199,539
Corporate advice expense		
- Legal fees	67,442	154,898
- Other	136,494	170,000
Total corporate advice expense	203,936	324,898
Other expenses		
- ASX fees	152,740	167,172
- Insurance	184,926	105,549
- Other	140,105	35,142
Total other expenses	477,771	307,863

6 Auditors' Remuneration

	2022	2021
	\$	\$
Auditor remuneration		
- auditing or reviewing the financial reports	39,000	34,500
Other non-audit remuneration		
- tax compliance services	-	2,650
	39,000	37,150

7 Loss per share

	2022	2021
	\$	\$
Loss used in calculation of basic EPS and diluted EPS	11,201,978	6,340,319
	2022	2021
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share	153,309,857	130,963,695
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	153,309,857	130,963,695

8 Income Tax

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

	2022	2021
	\$	\$
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(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:

	2022	2021
	\$	\$
Operating loss	(11,198,736)	(6,340,319)
Income tax calculated at 25% (2021:26%)	(2,799,684)	(1,648,482)
Non-deductible items		
Tax effect of:		
- share based payment expense	767,964	591,811
- other non-deductible expenses	634,983	812,687
- non-assessable income	(176,889)	(100,720)
- deferred tax assets not brought to account	1,573,626	344,704
Income tax attributable to operating loss	<u>-</u>	<u>-</u>

(c) Deferred tax assets

	2022	2021
	\$	\$
Tax losses	5,042,039	3,131,803
Other	168,419	241,025
Total deferred tax asset	5,210,458	3,372,828
Set-off deferred tax liabilities	-	-
Less deferred tax assets not recognised	(5,210,458)	(3,372,828)
Net deferred tax assets/liabilities	<u>-</u>	<u>-</u>

(d) Tax losses

	2022	2021
	\$	\$
Unused tax losses for which no deferred tax asset has been recognised	20,168,157	12,045,395
Potential tax benefit at 25% (2021: 26%)	5,042,039	3,131,802

Notes to the Financial Statements

for the year ended 30 June 2022

8 Income Tax (continued)

(d) Tax losses (continued)

The benefit for tax losses will only be obtained if:

- 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;
- The company and the consolidated entity continue to comply with the conditions for deductibility imposed by law; and
- No changes in tax legislation adversely affect the ability of the Company and consolidated entity to realise these benefits.

9 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	6,040,790	3,322,436
Term deposits	27,500,000	6,000,000
	33,540,790	9,322,436

The effective interest rate on cash and cash equivalents was 0.25% (30 June 2021: 0.34%).

10 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Other receivables	62,465	128,169

11 Other Assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	547,144	1,139,423

12 Intangible Assets

	2022	2021
	\$	\$
Intellectual property		
At cost	5,000,000	5,000,000
Accumulated amortisation	(1,625,650)	(1,344,454)
Total intangible assets	3,374,350	3,655,546

(a) Movements in carrying amounts of intangible assets

	Intellectual Property \$
Year ended 30 June 2022	
Balance at the beginning of the year	3,655,546
Amortisation expense	(281,196)
Closing value at 30 June 2022	3,374,350

Intellectual property totalling \$5,000,000 comprises patents and licenses initially acquired by the Company and pertain to the oncology drug, called Zantrene. The initial acquisition of intellectual property was supported by 2 patent applications. Subsequent to the initial patent applications the Company strategy has evolved to include a total of four patent families. The portfolio of patents is a robust program and the two most recent patent applications expands Zantrene's protected use of combination therapies. 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

	2022	2021
	\$	\$
CURRENT		
Trade and other creditors	833,822	311,834
Accruals	490,056	180,323
	1,323,878	492,157

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

14 Provisions

	2022	2021
	\$	\$
CURRENT		
Provision for annual leave	93,462	30,953

Notes to the Financial Statements

for the year ended 30 June 2022

15 Issued and unissued capital

	2022	2021
	\$	\$
Opening balance	31,495,411	19,660,008
Shares issued during the year	29,699,536	8,400,000
Exercise of options	1,293,500	4,390,377
Reserve share buy back and cancellation	-	(444,444)
Less: capital raising costs	(471,637)	(510,530)
	62,016,810	31,495,411

The Company has issued share capital amounting to 159,519,782 (2021: 143,650,843) ordinary shares of no par value and the Company does not have a limited amount of authorised capital.

(a) Ordinary shares

	2022	2021
	No.	No.
At the beginning of the reporting period	143,650,843	116,450,037
Shares issued during the year	15,868,939	27,200,806
At the end of the reporting period	159,519,782	143,650,843

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. 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

	2022	2021
	\$	\$
Opening balance	4,693,488	2,600,587
Foreign currency translation (net of tax)	653	(553)
Share based payment expense	3,071,855	2,093,454
	7,765,996	4,693,488

17 Share-based Payments

The following share-based payment arrangement existed at 30 June 2022:

- On 17 February 2020, the Company issued 2,400,000 unlisted options exercisable at \$0.49 each on or before 17 February 2024, issued to Marinella Messina under the employee incentive option plan.
- 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 David Fuller under the employee incentive option plan..

The vesting conditions for the incentives options are as follow:

- (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, 2.77775% 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.

Notes to the Financial Statements

for the year ended 30 June 2022

17 Share-based Payments (continued)

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

The vesting conditions for the incentives options are as follow:

- 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);
- 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
- 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 Benjamin Buckley under the employee incentive option plan.

The vesting conditions for the incentives options are as follow:

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

- On 30 November 2020, the Company issued 118,577 Incentive Performance Rights to Prof. Borje Andersson. The Performance Rights have been valued at grant date and are linked to non-market based vesting conditions, from which a probability based valuation have been applied. The Company value the Performance Rights at \$203,952, 80% probability being \$1.72 per Incentive Performance Rights. Performance Rights probability change of Vesting from 80% to 100% for June 2022.

A summary of the Company options issued is as follows:

	Class of SBP	Quantity	Share price at Grant date	Value recognised during the year	Value to be recognised in future years
Marinella Messina	Unlisted options	2,400,000	0.350	113,594	36,970
Phillip Lynch	Unlisted options	2,000,000	2.150	835,602	222,583
Daniel Tillett	Unlisted options	2,000,000	2.150	835,602	222,583
David Fuller	Unlisted options	500,000	3.130	749,249	313,670
Michael Kelso	Unlisted options	270,000	3.230	400,180	199,292
Benjamin Buckley	Unlisted options	150,000	3.280	137,628	203,957
Total		7,320,000		3,071,855	1,199,055

17 Share-based Payments (continued)

David Fuller

Unlisted Share Options

	Milestone A	Milestone B	Milestone C
	\$	\$	\$
Exercise price	4.90	4.90	4.90
Spot Rate	3.13	3.13	3.13
Grant date	1 July 2021	1 July 2021	1 July 2021
Expected volatility	100%	100%	100%
Expiry date	1 July 2026	1 July 2026	1 July 2026
Risk free interest rate	0.72%	0.72%	0.72%
Vesting period	12 Months	23 Months	24 Months
Number of options	166,607	319,424	13,909
Total value of options	\$ 354,307	\$ 679,044	\$ 29,568
Value recognised during the period	\$ 354,307	\$ 384,690	\$ 10,252

Michael Kelso

Unlisted Share Options

Exercise price	4.76	4.76	4.76
Spot price	3.23	3.23	3.23
Grant date	12 July 2021	12 July 2021	12 July 2021
Expected volatility	100%	100%	100%
Expiry date	12 July 2026	12 July 2026	12 July 2026
Risk free interest rate	0.64%	0.64%	0.64%
Vesting period	12 months	23 months	24 months
Number of options	90,000	172,500	7,500
Total value of options	\$ 199,824	\$ 382,995	\$ 16,653
Value recognised during the period	\$ 193,254	\$ 201,558	\$ 5,368

Benjamin Buckley

Unlisted Share Options

Exercise price	4.77	4.77	4.77
Spot price	3.28	3.28	3.28
Grant date	3 December 2021	3 December 2021	3 December 2021
Expected volatility	100%	100%	100%
Expiry date	3 December 2026	3 December 2026	3 December 2026
Risk free interest rate	1.34%	1.34%	1.34%
Vesting period	12 Months	23 Months	24 Months
Number of options	50,000	95,833	4,167
Total value of options	\$ 113,862	\$ 218,235	\$ 9,489
Value recognised during the period	\$ 66,446	\$ 69,339	\$ 1,844

Notes to the Financial Statements

for the year ended 30 June 2022

17 Share-based Payments (continued)

The weighted average remaining contractual life for the options over ordinary shares outstanding as at 30 June 2022 was 2.33 years (2021: 1.93 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 2022		30 June 2021	
	No. of options	Weighted Average Price	No. of options	Weighted Average Price
Balance at the start of financial year	25,567,999	\$0.6873	37,151,967	\$0.2209
Options				
- Granted	920,000	\$4.8377	12,639,060	\$1.4248
- Exercised	(5,968,939)	\$0.1798	(22,623,028)	\$0.1945
- Cancelled	-	-	(1,600,000)	\$2.6500
- Expired	(7,039,060)	\$0.4500	-	-
Balance at end of the financial year	13,480,000	\$1.3059	25,567,999	\$0.6873

18 Cash Flow Information

(a) Reconciliation of cash

	2022	2021
	\$	\$
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	33,540,790	9,322,436

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

	2022	2021
	\$	\$
Loss for the year	(11,201,978)	(6,340,319)
Non-cash flows in profit:		
- Share based payments	3,071,855	2,276,196
- Amortisation	281,196	281,196
- Unrealised foreign exchange translation	38,224	(9,394)
Changes in assets and liabilities:		
- decrease/(increase) in receivables	65,704	(79,251)
- increase in payables	894,230	279,458
- decrease/(increase) in prepayments	592,279	(1,104,911)
- increase in other foreign exchange reserve	653	(553)
Cashflows from operations	(6,257,837)	(4,697,578)

18 Cash Flow Information (continued)

(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.

(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		Maturing within 1 Year		Non-interest Bearing		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Cash and cash equivalents	0.25	0.34	33,540,790	9,322,436	-	-	-	-	33,540,790	9,322,436
Total Financial Assets			33,540,790	9,322,436	-	-	-	-	33,540,790	9,322,436
Financial Liabilities:										
Trade and other payables	-	-	-	-	-	-	(833,822)	(332,618)	(833,822)	(332,618)
Total Financial Liabilities			-	-	-	-	(833,822)	(332,618)	(833,822)	(332,618)

Notes to the Financial Statements

for the year ended 30 June 2022

19 Financial Risk Management (continued)

(a) Interest Rate Risk (continued)

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.

	2022	2021
	+/-1.00%	+/-1.00%
	\$	\$
Movement in loss	214,316	55,266
Movement in equity	214,316	55,266

(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.

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.

		2022	2021
		\$	\$
Cash and cash equivalents	9	33,540,790	9,322,436

(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 forecast and actual cash flows.

19 Financial Risk Management (continued)

(c) Liquidity risk (continued)

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 is 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		Within 1 Year		1 to 5 Years		Over 5 Years		Total contractual cash flows	
	Interest rate		2022	2021	2022	2021	2022	2021	2022	2021
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities at amortised cost										
Trade and other payables	-	-	833,822	332,618	-	-	-	-	833,822	332,618

(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.

Notes to the Financial Statements

for the year ended 30 June 2022

20 Parent entity (continued)

	2022 \$	2021 \$
Consolidated Statement of Financial Position		
Assets		
Current assets	34,150,399	10,605,178
Non-current assets	3,374,350	3,655,546
Total Assets	37,524,749	14,260,724
Liabilities		
Current liabilities	1,417,340	523,110
Total Liabilities	1,417,340	523,110
Equity		
Issued capital	62,016,810	31,510,561
Accumulated Losses	(33,675,397)	(22,466,435)
Option reserve	7,765,996	4,693,488
Total Equity	36,107,409	13,737,614
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	(11,201,978)	(6,340,318)
Total comprehensive Loss	(11,201,978)	(6,340,318)

Guarantees

The parent entity has entered into a Deed of Cross-Guarantee with the effect that the Company guarantees debts in respect of its subsidiaries.

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2022 or 30 June 2021.

21 Interests in Subsidiaries

Composition of the Group

	Country of Incorporation	Percentage Owned (%) 2022	Percentage Owned (%) 2021
Subsidiaries:			
Race Oncology SPRL	Belgium	100	100

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.

The following transactions occurred with related parties:

Consultancy Agreement

On 19 February 2021, the Company entered into a Consultancy Agreement with Prof. Borje Andersson for a period of 12 months, renewable by mutual agreement. The fee is set at US\$5,000 per month.

23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: 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.

25 Commitments

There are no leasing or capital commitments for the year ended 30 June 2022.

26 Significant Events Occurring After the Reporting Date

The financial report was authorised for issue on 26 August 2022 by the board of directors.

On multiple dates, through July and up until 16 August 2022 Race has confirmed the on-market purchase of shares in line with its on-market buyback (ASX announcement: 9 June 2022). The Company purchased a total of 117,471 shares at an average cost of \$2.15 per share and a total cost of \$252,157 to 16th August 2022.

On 15 August 2022, Race issued the following unlisted options to its employees:

- 132,000 unlisted options at an exercise price of \$2.46 expiring on 22 June 2027.
- 111,000 unlisted options at an exercise price of \$3.17 expiring on 15 August 2027.

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 the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' Declaration

for the year ended 30 June 2022

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 2022 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, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. 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.



Mr Phillip Lynch

Managing Director & CEO

Dated: 26 August 2022

Independent Auditor's Report



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 2022, 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 a summary of significant accounting policies, and the directors' 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 2022 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 1.

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.

Independent Auditor's Report



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
Accounting for share based payments As disclosed in note 17 to the financial statements, during the year ended 30 June 2022 the Consolidated Entity incurred share based payments expense of \$3,071,855. Share based payments are considered to be a key audit matter due to - the value of the transactions; - the complexities involved in the recognition and measurement of these instruments; and - the judgement involved in determining the inputs used in the valuations. Management used the Black-Scholes option valuation model to determine the fair value of the options granted. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.	 Our procedures amongst others included: • Analysing agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments; • Evaluating management's Black-Scholes Valuation Models and assessing the assumptions and inputs used; • Assessing the amount recognised during the year in accordance with the vesting conditions of the agreements; and • Assessing the adequacy of the disclosures included in Note 17 to the financial statements.
Intangible assets As disclosed in note 12 to the financial statements the Consolidated Entity has intangible assets with a carrying value of \$3,374,350. No impairment write-down was recorded for the year ended 30 June 2022. No indicators of impairment have been noted. 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; • Comparing market capitalisation as at sign-off date to the carrying value of net assets and capitalised intangible assets at year-end; • Assessing managements rights to the patents and licences acquired; 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 2022, 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. In Note 1, 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:

Independent Auditor's Report



- 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.
- 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 2022. 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.

Auditor's Opinion

In our opinion, the Remuneration Report of Race Oncology Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.



HALL CHADWICK WA AUDIT PTY LTD



MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 26th day of August 2022

ASX Additional Information

The shareholder information set out below was applicable as at 3 August 2022.

As at 3 August 2022 there were 9,322 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 and performance shares 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 Full Paid Shares

Holder Name	Holding	% IC
Dr Daniel Tillett	13,500,301	8.47%
Mr Phillip Richard Perry	6,077,694	3.81%
Mr Mark Phillip Juan	5,348,888	3.35%
Biosynergy Partners Pty Ltd	5,102,194	3.20%
The Trust Company (Australia) Limited <MOF A/C>	4,415,468	2.77%
Dr William James Garner	2,380,899	1.49%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	2,186,228	1.37%
Craganorig Holdings LLC	2,000,000	1.25%
Mr Phillip Richard Perry & Mrs Tetyana Perry <Doneska Super Fund A/C>	1,640,000	1.03%
Mr Anthony James Robinson <The Peeko Family No 86 A/C>	1,626,000	1.02%
Mr Kimberley Ross Gartrell & Mrs Jennifer Margaret Gartrell <K&J Gartrell Super Fund A/C>	1,249,820	0.78%
Mr Sandor Helby	1,200,000	0.75%
Citicorp Nominees Pty Limited	1,127,381	0.71%
Mr Kenneth Barry Ridley & Mrs Catherine Mary Ridley <Ridley Retirement Fund A/C>	1,090,000	0.68%
Biosynergy Partners Pty Ltd	1,000,000	0.63%
Mr Alan Giles Sauran	943,944	0.59%
Mr Van Quy Do	780,391	0.49%
Mr Brian James Walker	730,000	0.46%
Mochi Investing Pty Ltd <Mochi Family A/C>	679,589	0.43%
Surpion Pty Ltd <M W Suhr & Co A/C>	670,000	0.42%
Totals	53,748,797	33.71%

SUBSTANTIAL HOLDERS

The names of the substantial shareholders disclosed to the Company as substantial shareholders as at 3 August 2022 are:

Name	No of Shares Held	% of Issued Capital
Daniel Tillett	13,480,000	8.45%
Dr John Cullity	8,402,194	5.62%

DISTRIBUTION OF EQUITY SECURITIES

Ordinary Fully Paid Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	3,961	1,753,825	1.10%
1,001 - 5,000	2,768	6,801,990	4.27%
5,001 - 10,000	911	6,830,962	4.28%
10,001 - 100,000	1,441	44,611,816	27.98%
100,001 and above	241	99,466,074	62.37%
Totals	9,322	159,464,667	100.00%

Unmarketable Parcels – 1,076 Holders

RESTRICTED SECURITIES

As at 3 August 2022 there were no restricted securities.

UNQUOTED SECURITIES

As at 3 August 2022, the following unquoted securities are on issue:

2,500,000 Options Expiring 25/11/2022 @ \$0.19 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Dr Daniel Tillett	2,500,000	100.00%

420,000 Options Expiring 21/01/2024 @ \$0.12 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Prof Borje Andersson	420,000	100.00%

2,400,000 Options Expiring 17/02/2024 @ \$0.49 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Marinella Messina	2,400,000	100.00%

ASX Additional Information

UNQUOTED SECURITIES (Continued)

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%

500,000 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

150,000 Options Expiring 3/12/2026 @ \$4.77 – 1 Holder, issued under Incentive Option Plan

118,577 Performance Rights Expiring 29/11/2025 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Prof Borje Andersson	118,577	100.00%

ON-MARKET BUY BACK

On 9 June 2022, the Company announced that it would undertake an on-market buy-back of ordinary fully paid shares up to a maximum of 4,000,000 ordinary fully paid shares. No shares were bought-back during the financial year. See the 'Events after reporting date' in the Directors' Report for further information.

CORPORATE GOVERNANCE STATEMENT

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

For personal use only

