

ASX RELEASE

Thursday, 1 October 2020

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KAZIA LAUNCHES ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER

Sydney, Thursday, 1 October 2020 – Kazia Therapeutics Limited (ASX: KZA; NASDAQ: KZIA) (**Kazia** or the **Company**), an Australian oncology-focused biotechnology company, is pleased to announce the launch of an accelerated 1 for 3 non-renounceable entitlement offer of new fully paid ordinary shares in Kazia (**New Shares**) at \$0.80 per New Share (**Entitlement Offer**).

The proceeds from the Entitlement Offer will be used to fund Kazia's participation in GBM AGILE, the pivotal study for registration of paxalisib in glioblastoma, and to provide working capital to the Company.

Details of the Entitlement Offer

The offer price for the Entitlement Offer is \$0.80 per New Share (**Offer Price**). The Offer Price represents:

- a 16.7% discount to the last traded price of Kazia's ordinary shares; and
- a 13% % discount to the theoretical ex-rights price (**TERP**).¹

Under the Entitlement Offer, eligible shareholders will be able to subscribe for one New Share for every three shares held at 7.00pm (Sydney time) on Monday, 5 October 2020 (**Record Date**) at the Offer Price (**Entitlements**).

It is the intention of the Company to enter into an underwriting agreement in relation to the Entitlement Offer.

Kazia Chairman, Iain Ross, commented, "this is an inflection point for Kazia. We are about to launch into a pivotal study for paxalisib in glioblastoma, which we expect to place us on a direct path toward commercialisation. The proceeds of this transaction will be applied directly to funding the GBM AGILE clinical trial, and thereby to shape the future of our

¹ The theoretical ex-rights price (TERP) is the theoretical price at which shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP.

Board of Directors

Mr Iain Ross Chairman, Non-Executive Director

Mr Bryce Carmine Non-Executive Director

Mr Steven Coffey Non-Executive Director

Dr James Garner Chief Executive Officer, Managing Director

company. We invite all eligible shareholders to consider the opportunity to strengthen their position in the company as we embark on this new chapter in the development of paxalisib. The Directors of the company will each participate in a substantial amount.”

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements will not receive any value for those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value for the Entitlements they would have received had they been eligible.

It is expected that up to 31,541,123 million New Shares will be issued as part of the Entitlement Offer. New Shares issued under the Entitlement Offer will rank equally with existing ordinary shares.

The Entitlement Offer includes an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

Under the Institutional Entitlement Offer, eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place from today, Thursday, 1 October 2020. Eligible institutional shareholders can choose to take up all, part or none of their Entitlements. Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be sold through an institutional shortfall bookbuild at the Offer Price.

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Thursday, 8 October 2020 and close at 5.00pm (Sydney time) on Tuesday, 20 October 2020.

Kazia may consider a top-up facility under which eligible retail shareholders who take up their full Entitlement will have the opportunity to apply for additional shares. There is no guarantee that applicants under any top-up facility will receive all or any of the New Shares they apply for. Further details on the allocation of New Shares under any top-up facility will be set out in the Retail Entitlement Offer information booklet.

Kazia will notify shareholders as to whether they are eligible to participate in the Retail Entitlement Offer. Eligible retail shareholders will be sent, on or about Thursday, 8 October 2020, an information booklet including a personalised entitlement and acceptance form, which will provide further details of how to participate in the Retail Entitlement Offer. A copy of the information booklet will also be lodged with ASX on or about Thursday, 8 October 2020.

Those shareholders who Kazia determines to be ineligible shareholders will also be notified.

A presentation on the Entitlement Offer has been lodged with ASX today and is able to be downloaded from ASX's website (www.asx.com.au).

In the event of a shortfall, after taking into account applications from all existing eligible shareholders and the terms of any Underwriting Agreement, the Directors of the Company in consultation with the lead manager, reserve the right to place the shortfall at their sole discretion. Acceptance of entitlements or the placement of any shortfall may also result in existing shareholders or new investors increasing their interest in the Company or obtaining a substantial interest in the Company. However, the shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of not more than 19.99%, subject to a number of exemptions.

Timetable

The key dates for the Entitlement Offer are set out below.

Key event	Date
Trading halt	Wednesday, 30 September 2020
Announcement of Entitlement Offer	Thursday, 1 October 2020
Institutional Entitlement Offer closes	Thursday, 1 October 2020
Trading halt lifted	Friday, 2 October 2020
Record Date (7.00 pm Sydney time)	Monday, 5 October 2020
Retail Entitlement Offer Booklet despatched and Retail Entitlement Offer opens	Thursday, 8 October 2020
Settlement of Institutional Entitlement Offer	Friday, 9 October 2020
Allotment and normal trading of New Shares under the Institutional Entitlement Offer	Monday, 12 October 2020
Retail Entitlement Offer closes (5.00 pm Sydney time)	Tuesday, 20 October 2020
Settlement of Retail Entitlement Offer	Monday, 26 October 2020
Allotment of New Shares under the Retail Entitlement Offer	Tuesday, 27 October 2020
Normal trading on the Australian Securities Exchange (ASX) for New Shares issued under the Retail Entitlement Offer commences	Tuesday, 27 October 2020
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Wednesday, 28 October 2020

The dates in this timetable are indicative only and may be varied by Kazia in consultation with Bell Potter Securities Limited at any time without notice, subject to the ASX Listing Rules.

[ENDS]

About Kazia Therapeutics Limited

Kazia Therapeutics Limited (ASX:KZA, NASDAQ:KZIA) is an innovative oncology-focused biotechnology company, based in Sydney, Australia. Our pipeline includes two clinical-stage drug development candidates, and we are working to develop therapies across a range of oncology indications.

Our lead program is paxalisib (formerly GDC-0084), a small molecule inhibitor of the PI3K / AKT / mTOR pathway, which is being developed to treat glioblastoma, the most common and most aggressive form of primary brain cancer in adults. Licensed from Genentech in late 2016, paxalisib entered a phase II clinical trial in 2018. Interim data was reported most recently at AACR in June 2020, and further data is expected in 2H 2020. Five additional studies are ongoing in other forms of brain cancer. Paxalisib was granted Orphan Drug Designation for glioblastoma by the US FDA in February 2018, and Fast Track Designation for glioblastoma by the US FDA in August 2020. In addition, paxalisib was granted Rare Pediatric Disease Designation and Orphan Designation by the US FDA for DIPG in August 2020.

TRX-E-002-1 (Cantrixil), is a third-generation benzopyran molecule with activity against cancer stem cells and is being developed to treat ovarian cancer. TRX-E-002-1 has completed a phase I clinical trial in Australia and the United States with the final data expected in the second half of calendar 2020. Interim data was presented most recently at the AACR conference in June 2020. Cantrixil was granted orphan designation for ovarian cancer by the US FDA in April 2015.

This document was authorized for release to the ASX by James Garner, Chief Executive Officer, Managing Director.

All dollar amounts are in Australian dollars unless otherwise indicated.

Not an offer

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