

ASX RELEASE

8 October 2020

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LETTER TO INELIGIBLE SHAREHOLDERS

Sydney, 8 October 2020 – Kazia Therapeutics Limited (ASX: KZA; NASDAQ: KZIA), an Australian oncology-focused biotechnology company, is pleased to provide a copy of a letter to ineligible shareholders associated with its recently launched Retail Entitlement Offer.

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.

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

8 October 2020

Dear Shareholder

Notice to ineligible shareholders

On 1 October 2020, Kazia Therapeutics Limited (ASX:KZA) ("**Kazia**" or the "**Company**") announced a 1 for 3 pro-rata non-renounceable entitlement offer of fully paid ordinary shares in Kazia (**New Shares**) at A\$0.80 per New Share to raise approximately A\$25 million (**Entitlement Offer**).

The institutional component of the Entitlement Offer was successfully completed, as announced on 2 October 2020. Further details of the retail component of the Entitlement Offer are set out in the Entitlement Offer Booklet which has been lodged with ASX.

A person is eligible to participate in the retail component of the Entitlement Offer as an eligible shareholder where the person is a registered holder of ordinary shares in Kazia (**Shares**) as at 7.00pm (Sydney time) on the Record Date, being Monday, 5 October 2020, who:

- (a) has a registered address in Australia or New Zealand, is an institutional investors in other permitted jurisdictions who did not participate in the institutional component of the Entitlement Offer or are persons whom Kazia has otherwise determined are eligible to participate in the Retail Entitlement Offer;
- (b) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of such person in the United States);
- (c) was not invited to participate in the institutional component of the Entitlement Offer and was not treated as an ineligible institutional shareholder under the institutional component of the Entitlement Offer; and
- (d) is eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

As you do not satisfy the criteria for eligibility, Kazia is unfortunately unable to extend the Entitlement Offer to you.

As the Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible. Entitlements are not tradeable on ASX or otherwise transferrable.

If you have any queries, please contact Kazia's share registry, Computershare Investor Services, on 1300 855 080 (within Australia) or +61 3 9415 4000 between 8.30 am and 5.30 pm (Sydney time) Monday to Friday during the offer period or, alternatively, consult your stockbroker, solicitor, accountant or other professional financial adviser.

Thank you for your continued support of Kazia.

Yours faithfully



James Garner
Chief Executive Officer & Managing Director
Kazia Therapeutics Limited