ASX RELEASE
31 July 2023

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

Sydney, 31 July 2023 – Kazia Therapeutics Limited (NASDAQ: KZIA; ASX: KZA), an oncology-focused drug development company, is pleased to provide an update on the ongoing development of its product candidates for the quarter ending 30 June 2023.

Key Points

- In May 2023, Kazia's Chief Medical Officer, Dr John Friend, assumed the role of Chief Executive Officer following the resignation of Dr James Garner.
- In June 2023, Ms Ebru Davidson was appointed to the Kazia Board. Ebru is an experienced corporate lawyer with extensive expertise and abilities which complements the existing Board members.
- In June 2023, Kazia announced it was supporting the University of Sydney on LUMOS2, a molecularly-guided phase II clinical study to examine paxalisib in adult patients with recurrent/progressive isocitrate dehydrogenase (IDH) mutant grade 2 and 3 glioma (G2/3 gliomas).
- During the period, the Phase I expansion cohort of the brain metastases study sponsored by Memorial Sloan Kettering Cancer Center began enrolling patients, with two other preeminent cancer centers also joining the study.
- Kazia continued to support critical research conferences, including DIPG/DMG & Medulloblastoma Symposium and 2023 SNO Pediatric Neuro-Oncology Research Conference.
- Kazia attended and participated in the Cancer Moonshot Brain Cancers Forum on Glioblastoma (GBM) & Diffuse Intrinsic Pontine Glioma (DIPG) at the White House, United States.
- Kazia joined GCAR and their patient advocacy and biotech/pharmaceutical partners to ring the Nasdaq Stock Market Closing Bell

Kazia CEO, Dr John Friend, commented:
"It has been a very productive quarter reflecting a further period of important development for our company, which is a testament to the hard work and dedication of our entire team. As part of my transition into the CEO role this quarter, we have conducted a full portfolio review and I'm truly excited by the comprehensive set of clinical trials and lead assets within the Kazia portfolio, and the opportunities that lie ahead. On the clinical program front, with the launch of the LUMOS2 study, I was also delighted to see paxalisib included as one of the international arms of this multi-centre study in Australia."

"During the quarter we welcomed Ms Ebru Davidson to the Kazia Board as part of our ongoing renewal, and we are already benefiting from her strong governance and risk management expertise. I was also personally honoured to participate in the White House Cancer Moonshot Forum alongside patients, government officials, researchers and global

Neuro-Oncology thought leaders this quarter. Kazia was uniquely positioned to add tremendous value to the Forum thanks to our experience with paxalisib in several brain tumor studies"

Leadership transitions
Dr John Friend, Chief Medical Officer of Kazia, assumed the role of Chief Executive Officer following the resignation of Dr James Garner. Dr Friend joined Kazia as Chief Medical Officer in November 2021, and has been responsible for managing and expanding Kazia's portfolio of clinical programs. He is an accomplished physician executive with a 25-year career history and has an extensive background in establishing and leading critical business units in small to mid-sized biopharmaceutical companies.

The Board of Directors was expanded with the appointment of Ms Ebru Davidson, a highly experienced corporate lawyer who is currently the General Counsel for QBiotics Group Limited. As a former partner at Thomson Geer Lawyers, Ebru brings over 14 years' experience in equity capital markets, private and public mergers and acquisitions, corporate transactions and corporate governance.

LUMOS2 study
During the quarter Kazia announced that it would be supporting the University of Sydney on a molecularly-guided phase II clinical study to examine paxalisib in adult patients with recurrent/progressive isocitrate dehydrogenase (IDH) mutant grade 2 and 3 glioma (G2/3 gliomas). The study, named LUMOS2, will investigate paxalisib and other targeted therapies in adult patients with grade 2 or 3 IDH-mutant gliomas.

Memorial Sloan Kettering Cancer Center study
Kazia was pleased to confirm that the phase I expansion cohort for this ongoing study of paxalisib in combination with radiotherapy for the treatment of brain metastases began enrolling patients. The study, sponsored by Memorial Sloan Kettering Cancer Center in New York, NY, was also joined by two other world-renowned cancer centres: Miami Cancer Institute and Fred Hutch Cancer Center in Seattle, WA. Preliminary data from the expansion cohort is anticipated by 1Q24.

White House Cancer Moonshot Forum
Kazia CEO Dr John Friend was invited to participate in the Cancer Moonshot Brain Cancers Forum on Glioblastoma (GBM) & Diffuse Intrinsic Pontine Glioma (DIPG) at the White House in the United States on 25 June 2023.

In alignment with President Joe Biden and First Lady Dr. Jill Biden's commitment to end cancer, the forum brought together patients, caregivers, oncologists, researchers, and government officials to discuss and spur action against rare adult and pediatric cancers. Forum participants discussed strategies to improve outcomes for GBM and DIPG patients, shared progress in research and drug development, learnt about efforts to accelerate progress, and committed for further action. The participation of Dr Friend in the forum reflects the importance of Kazia's work in developing treatments for GBM and DIPG and reconfirms Kazia's position as a global leader in this field.

Industry and Conference Support

Kazia was proud to be invited by the Global Coalition for Adaptive Research (GCAR) and their patient/advocacy and pharma/biotech partners to ring the Nasdaq Stock Market Closing Bell in May 2023 in recognition of National Brain Tumor Awareness Month. Representation at such a high-profile platform plays an important role in helping to raise awareness of the critical need for new treatment options for brain cancer.

As part of the company's continued commitment to supporting critical research conferences that facilitate scientific exchange by leading researchers, physicians, patient advocates and families, Kazia sponsored the DIPG/DMG & Medulloblastoma Symposium in May and the 2023 SNO Pediatric Neuro-Oncology Research Conference in June.

The DIPG/DMG & Medulloblastoma Symposium, is an international medical research conference focusing on Diffuse Intrinsic Pontine Glioma (DIPG) and Diffuse Midline Glioma (DMG), and offers a unique forum for collaboration into new and innovative research. The Society for Neuro-Oncology Pediatric Neuro-Oncology Research Conference is an important forum for exchanging research, results and ideas into paediatric neuro-oncology.

Financial Position

Kazia closed the quarter to 30 June 2023 with a cash balance on hand of AU$5.2 million, versus AU$8.0 million in the previous quarter. Payments totaling AU$304,726 were made to related parties and comprised of director's fees, salaries, superannuation, and travel reimbursement.

In early July 2023, Kazia judiciously utilized its ATM facility to raise AU$1.5M and shares were issued at a premium in the range of 50% - 69% to the AU$0.11 price per share in February 2023 Australian financing. The ATM allows the company to raise capital dynamically in the market, with no discount, no warrant coverage, and modest banking fees, allowing it to fund operations with minimal dilution to existing shareholders.

Broad Clinical Program Ongoing

Sponsor	Phase	Indication	Registration
PAXALISIB			
Global Coalition for Adaptive Research	II / III	Glioblastoma	NCT03970447
Weill Cornell Medicine	II	Glioblastoma (*with ketogenesis*)	NCT05183204
Alliance for Clinical Trials in Oncology	II	Brain metastases	NCT03994796
Dana-Farber Cancer Institute	II	Breast cancer brain metastases (*with Herceptin*)	NCT03765983
Dana-Farber Cancer Institute	II	Primary CNS lymphoma	NCT04906096
University of Sydney	I/II	Grade 2/3 IDH-mutant adult gliomas	TBD
Pacific Pediatric Neuro-Oncology Consortium	II	DIPG (childhood brain cancer)	NCT05009992
Aus. & NZ Children's Oncology Group	II	Advanced solid tumours in children	TBD

St Jude Children's Research Hospital	I	DIPG	NCT03696355
Memorial Sloan Kettering Cancer Center	I	Brain metastases (*with radiotherapy*)	NCT04192981
EVT801			
Kazia Therapeutics	I	Advanced solid tumours	NCT05114668

About Kazia Therapeutics Limited

Kazia Therapeutics Limited (NASDAQ: KZIA; ASX: KZA) is an oncology-focused drug development company, based in Sydney, Australia.

Our lead program is paxalisib, a brain-penetrant inhibitor of the PI3K / Akt / mTOR pathway, which is being developed to treat multiple forms of brain cancer. Licensed from Genentech in late 2016, paxalisib is or has been the subject of ten clinical trials in this disease. A completed phase II study in glioblastoma reported promising signals of efficacy in 2021, and a pivotal study for registration, GBM AGILE, is ongoing, with final data expected in CY2023. Other clinical trials are ongoing in brain metastases, diffuse midline gliomas, and primary CNS lymphoma, with several of these having reported encouraging interim data.

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. Paxalisib was also awarded Fast Track Designation (FTD) in July 2023 for the treatment of solid tumor brain metastases harboring PI3K pathway mutations in combination with radiation therapy. In addition, paxalisib was granted Rare Pediatric Disease Designation and Orphan Designation by the US FDA for DIPG in August2020, and for atypical teratoid / rhabdoid tumours (AT/RT) in June 2022 and July 2022, respectively.

Kazia is also developing EVT801, a small-molecule inhibitor of VEGFR3, which was licensed from Evotec SE in April 2021. Preclinical data has shown EVT801 to be active against a broad range of tumour types and has provided compelling evidence of synergy with immuno-oncology agents. A phase I study commenced recruitment in November 2021.

For more information, please visit www.kaziatherapeutics.com or follow us on Twitter @KaziaTx.

Forward-Looking Statements

This announcement may contain forward-looking statements, which can generally be identified as such by the use of words such as “may,” “will,” “estimate,” “future,” “forward,” “anticipate,” or other similar words. Any statement describing Kazia's future plans, strategies, intentions, expectations, objectives, goals or prospects, and other statements that are not historical facts, are also forward-looking statements, including, but not limited to, statements regarding: the timing for results and data related to Kazia’s clinical and preclinical trials, and Kazia’s strategy and plans with respect to its programs, including paxalisib and EVT801. Such statements are based on Kazia’s expectations and projections about future events and future trends affecting its business and are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements, including risks and uncertainties: associated with clinical and preclinical trials and product development, related to regulatory approvals, and the related to the impact of global economic conditions. These and other risks and uncertainties are described more fully in Kazia’s Annual Report, filed on form 20-F with the SEC, and in subsequent filings with the SEC. Kazia undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required under applicable law. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this announcement.

This announcement was authorized for release to the ASX by Dr John Friend, CEO, on behalf of the Board.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Kazia Therapeutics Limited	
ABN	**Quarter ended ("current quarter")**
37 063 259 754	June 2023

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) research and development	(1,493)	(8,852)
	(b) product manufacturing and operating costs		
	(c) advertising and marketing		
	(d) leased assets		
	(e) staff costs	(502)	(1,861)
	(f) administration and corporate costs	(804)	(4,366)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(2,799)**	**(15,079)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property (milestone payment for EVT801)		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from disposal of: (a) entities (b) businesses (c) property, plant and equipment (d) investments (e) intellectual property (f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		12,959
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**		**12,959**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	8,025	7,361
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,799)	(15,079)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)		12,959

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	15	
4.6	**Cash and cash equivalents at end of period**	**5,241**	**5,241**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	5,241	8,025
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**5,241**	**8,025**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – director's fees, salaries, superannuation and travel reimbursement.	304
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,799)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,241
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	5,241
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	1.9

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: In early July the company raised funds of A$1.5 million utilising its 'at-the-market' (ATM) facility. The company is in ongoing discussions with potential investors and partners but if necessary will utilise its (ATM) facility with Oppenheimer & Co to provide additional funding from time to time.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2023.....

Authorised by: .....Board of Directors .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.