

ASX RELEASE

2 October 2020

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SUCCESSFUL COMPLETION OF FULLY UNDERWRITTEN INSTITUTIONAL ENTITLEMENT OFFER TO FUND PAXALISIB REGISTRATION TRIAL

Sydney, Friday, 2 October 2020 – Kazia Therapeutics Limited (ASX: KZA; NASDAQ: KZIA) (**Kazia** or the **Company**), an Australian oncology-focused biotechnology company, is pleased to announce the successful completion of the institutional component of its accelerated 1 for 3 non-renounceable entitlement offer of new fully paid ordinary shares in Kazia (**New Shares**) at \$0.80 per new share, as announced on Thursday, 1 October 2020 (**Entitlement Offer**). The Entitlement Offer is now fully underwritten by Bell Potter Securities Limited.

Key Points

- Proceeds of the entitlement offer will be used to fund Kazia’s participation in the GBM AGILE pivotal study in glioblastoma
- Kazia expects to sign a definitive agreement regarding GBM AGILE shortly after completion of the institutional component
- Commencement of GBM AGILE will place paxalisib on a direct path to commercialization, making Kazia a late-stage clinical company

Institutional Entitlement Offer

The institutional component of the Entitlement Offer was completed on Thursday, 1 October 2020 and raised \$16.4 million. The Institutional Entitlement Offer attracted strong support from institutional shareholders with all eligible accelerated holders participating, and an overall take up by those parties of approximately 70%.

Kazia Chairman, Iain Ross, commented “we are delighted to have had a very substantial interest from new and existing institutional holders. Kazia has made enormous progress as a company, and this financing round promises to be transformative, as we move into late-stage clinical trials. We are thankful for the emphatic support of our shareholders and look forward to reporting new data in coming months.”

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

Settlement of the institutional component of the Entitlement Offer is expected to occur on Friday, 9 October 2020, with those New Shares expected to be allotted and commence normal trading on Monday, 12 October 2020.

The ASX trading halt that was implemented on Wednesday, 30 September 2020 in respect of Kazia's shares is expected to be lifted prior to market open today.

Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will open on Thursday, 8 October 2020 and is expected to close at 5.00 pm (Sydney time) on Tuesday, 20 October 2020.

The retail component of the Entitlement Offer will be open to shareholders who:

- are registered as holders of Shares as at 7.00 pm (Sydney time) on Monday, 5 October 2020 (**Record Date**);
- as at the Record Date, have a registered address in Australia or New Zealand, are institutional investors in other Permitted Jurisdictions who did not participate in the institutional component of the Entitlement Offer or are persons that Kazia has otherwise determined are eligible to participate in the Retail Entitlement Offer;
- are not in the United States and are not acting for the account or benefit or 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);
- were not invited to participate in the institutional component of the Entitlement Offer and were not treated as an ineligible institutional shareholder; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

(Eligible Retail Shareholder). The **Permitted Jurisdictions** are Australia, Hong Kong, New Zealand, Singapore and the United Kingdom.

Under the Retail Entitlement Offer, Eligible Retail Shareholders will be able to subscribe for one (1) New Share for every three (3) Shares held on the Record Date, at the same price as the Institutional Entitlement Offer (\$0.80 per New Share). Eligible Retail Shareholders will be allotted their entitlements under the Retail Entitlement Offer which can be taken up in whole or in part. New Shares issued under the Retail Entitlement Offer will rank equally with existing ordinary shares from the date of issue.

Full details of the Retail Entitlement Offer will be set out in the Retail Entitlement Offer Booklet and the accompanying personalised Entitlement and Acceptance Form, which is expected to be released to the ASX and dispatched to Eligible Retail Shareholders on Thursday, 8 October 2020. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Entitlement Offer Booklet (and their personalised Entitlement and Acceptance Form).

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 closed | 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.

[ENDS]

About Kazia Therapeutics Limited

Kazia Therapeutics Limited (ASX:Kazia, 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

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions registered under the US Securities Act or exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

Summary of Underwriting Agreement

Kazia has entered into an underwriting agreement (**Underwriting Agreement**) with Bell Potter Securities Limited (**Underwriter**) who has agreed, subject to the satisfaction of certain conditions precedent, to act as sole lead manager, bookrunner and underwriter of the Offer, subject to the terms and conditions of the Underwriting Agreement.

The Underwriter's obligations under the Underwriting Agreement, including to manage and underwrite the Offer, are conditional on certain matters.

If certain conditions are not satisfied or certain events occur, the Underwriter may terminate its obligations under the Underwriting Agreement. Such events include where:

- a statement contained in the offer documents (including this Offer Booklet and all ASX announcements made in connection with the Entitlement Offer) is or becomes misleading or deceptive, or the offer documents omit required information or otherwise fail to comply with applicable laws;
- a cleansing notice given in connection with the Entitlement Offer is defective, or under the Corporations Act, Kazia becomes required to issue, or issues, a correcting notice;
- ASIC applies for certain orders under the Corporations Act in relation to the Entitlement Offer or an offer document, commences an investigation or hearing in relation to the Entitlement Offer or the offer documents, or gives a notice of intention to prosecute or prosecutes Kazia or any of its directors, or takes certain other actions;
- approval for the official quotation of the New Shares is not given by ASX by the applicable dates;
- a certificate which is required to be furnished by Kazia under this Underwriting Agreement is not furnished when required;
- there are certain delays in the Entitlement Offer timetable without the Underwriter's consent;
- ASX announces that Kazia will be removed from the official list or that its shares will be delisted or suspended from quotation by ASX;
- Kazia or one of its related bodies corporate (**Group Member**) becomes insolvent, or there is an act or omission which, in the reasonable opinion of the Underwriter, may result in a Group Member becoming Insolvent;
- Kazia withdraws the Entitlement Offer or any part of it;
- there is an event or occurrence which makes it illegal for the Underwriter to market, promote or settle the Offer in accordance with the Underwriting Agreement;
- there is a material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of Kazia or its Group Members;
- an application is made to a governmental agency for an order, declaration or remedy, or a governmental agency commences or announces an intention to commence an investigation, in connection with the Entitlement Offer;
- a director of Kazia is charged with an indictable offence, or a public action is commenced by a government authority against any of Kazia's directors or a government authority announces that it intends to take that action, or a director of Kazia is disqualified from managing a corporation under applicable law;

- civil or criminal proceedings are brought against Kazia, or any officer of Kazia, in relation to any fraudulent, misleading or deceptive conduct relating to Kazia whether or not in connection with the Entitlement Offer;
- a new circumstance arises that would have been required to be disclosed in the offer documents had it arisen before the offer documents were lodged with ASX;
- the S&P/ASX 300 Index or S&P/All Ordinaries Index fall by more than 10% on any trading day during the operation of the Underwriting Agreement and remains below that level for more than one day;
- Kazia, or any of its directors or officers, engage in any fraudulent conduct or activity whether or not in connection with the Entitlement Offer.

In addition, in some cases the Underwriter's ability to terminate the Underwriting Agreement will depend (amongst other things) on whether the event has or is likely to have a material adverse effect on the success, marketing or settlement of the Entitlement Offer or leads to or is likely to lead to a contravention by, or liability of, the Underwriter under applicable law. Such events include where:

- a representation or warranty contained in the Underwriting Agreement on the part of Kazia is breached or proves to be, has been, or becomes untrue or incorrect or misleading or deceptive;
- a new law, regulation or policy is introduced;
- Kazia fails to perform or observe any of its obligations under the Underwriting Agreement;
- hostilities commence, or a major escalation in existing hostilities occurs, involving certain countries, or a national emergency is declared by any of those countries, or a significant terrorist act is perpetrated anywhere in the world;
- there is a suspension or material limitation in securities trading in certain financial markets or a general moratorium on commercial banking activities is declared in these markets;
- a change in the Chief Executive Officer, Chairman or a Director of Kazia is announced or occurs (other than as contemplated in this investor presentation);
- the due diligence report, or any other information supplied by or on behalf of Kazia to the Underwriter is or becomes misleading or deceptive (including by omission);
- a statement in a certificate which is required to be furnished by Kazia under the Underwriting Agreement is untrue, incorrect, or misleading or deceptive (including by omission); or
- there is a material adverse change in the assets, liabilities, financial position, results, operations, performance, prospects or standing of the Kazia group.

If the Underwriter terminates its obligations under the Underwriting Agreement, the Underwriter will not be obliged to perform any of its obligations that remain to be performed.

The Underwriter will be paid a management fee equal to 3.0% of the gross offer proceeds and an underwriting fee equal to 3.0% of the offer proceeds net of the proceeds collected from the Directors of Kazia or certain major shareholders in connection with those parties taking up some or all of their entitlements. The Underwriter is also entitled to be

reimbursed for certain reasonable expenses incurred in connection with the Entitlement Offer, including legal fees.