

ASX RELEASE

8 October 2020

RETAIL ENTITLEMENT OFFER BOOKLET

Sydney, 8 October 2020 – Kazia Therapeutics Limited (ASX: KZA; NASDAQ: KZIA), an Australian oncology-focused biotechnology company, is pleased to announce the details of its Retail Entitlement Offer in the attached booklet, which will be distributed to eligible shareholders today. Please note that the offer closes at 5.00pm (Sydney time) on 20 October 2020.

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

Kazia Therapeutics Limited

ACN 063 259 754

Retail Entitlement Offer

1 for 3 accelerated pro-rata non-renounceable entitlement offer of fully paid ordinary shares in KZA at an offer price of \$0.80 per New Share.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on 20 October 2020.

This Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised entitlement and acceptance form and both should be read in their entirety. This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. Please call your stockbroker, solicitor, accountant, financial adviser or other professional adviser or the KZA shareholder information line on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

Not for release to US wire services or distribution in the United States

IMPORTANT NOTICE

Defined terms used in these important notices have the meaning given in this retail entitlement offer information booklet (**Offer Booklet**).

This Offer Booklet relates to the Retail Entitlement Offer which is part of the entitlement offer by Kazia Therapeutics Limited ACN 063 259 754 (**KZA**) of New Shares to raise approximately \$25 million. The Entitlement Offer is being made in Australia pursuant to section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*), which allows entitlement offers to be made to investors without a prospectus).

As this offer is not being made under a prospectus, investment statement or product disclosure statement, it is important for Eligible Retail Shareholders to read carefully and understand this Offer Booklet and the information about KZA and the Entitlement Offer that is made publicly available. In particular, please refer to the materials in this Offer Booklet (including KZA's investor presentation in Appendix A), KZA's annual reports and other announcements made available at www.kaziatherapeutics.com (including KZA's annual report for the financial year ended 30 June 2020 which was released to ASX on 27 August 2020), and other announcements which may be made by KZA after publication of this Offer Booklet.

By returning an entitlement and acceptance form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the entitlement and acceptance form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer in this Offer Booklet.

Future performance and forward looking statements

This Offer Booklet contains certain "forward looking statements", including but not limited to projections and guidance on the future performance of KZA and the outcome and effects of the Entitlement Offer. Forward looking statements can generally be identified by the use of forward looking words such as "**expect**", "**anticipate**", "**likely**", "**intend**", "**propose**", "**should**", "**could**", "**may**", "**predict**", "**plan**", "**will**", "**believe**", "**forecast**", "**estimate**", "**target**", "**outlook**", "**guidance**", "**potential**", and other similar expressions within the meaning of securities laws of applicable jurisdictions.

The forward looking statements contained in this Offer Booklet are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of KZA, its Directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the "Risks of the Investment" section in the Appendices in KZA's investor presentation included in Appendix A of this Offer Booklet for a summary of certain general and KZA specific risk factors that may affect KZA. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including one or more of the key risk factors referred to in the "Risks of the Investment" section in the Appendices in KZA's investor presentation included in Appendix A of this Offer Booklet. Investors should consider the forward-looking statements contained in this Offer Booklet in light of those disclosures. The forward-looking statements are based on information available to KZA as at the date of this Offer Booklet. **You are strongly cautioned not to place undue reliance on forward looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.**

Except as required by law or regulation (including the ASX Listing Rules), KZA undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of,

and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

None of the Underwriter Parties (as defined below) have authorised, approved or verified any forward-looking statements (or any other statements) in this Offer Booklet.

Underwriter

Bell Potter Securities Limited (the **Underwriter**) has acted as sole lead manager to, and underwriter of, the Entitlement Offer. None of the Underwriter, any of its affiliates or related bodies corporate (as that term is defined in the Corporations Act) or any of its directors, employees, officers, representatives, agents, partners, consultants or advisers (together, the **Underwriter Parties**), the advisers to KZA or any other person has authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Offer Booklet (or any other materials released by KZA) and none of them makes or purports to make any statement in this Offer Booklet and there is no statement in this Offer Booklet which is based on any statement by any of them.

The Underwriter Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from, KZA.

Disclaimer

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of KZA and the Underwriter. To the maximum extent permitted by law, each of KZA and the Underwriter Parties disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion.

To the maximum extent permitted by law, the Underwriter Parties expressly exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Retail Entitlement Offer and the information in this Offer Booklet being inaccurate or due to information being omitted from this Offer Booklet, whether by way of negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Offer Booklet.

The Underwriter Parties take no responsibility for any part of this Offer Booklet or liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Offer Booklet or otherwise arising in connection with either of them.

The Underwriter Parties make no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and by returning an entitlement and acceptance form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the entitlement and acceptance form, you represent, warrant and agree that you have not relied on any statements made by the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally.

Past performance

Investors should note that past performance, including the past share price performance of KZA and the pro forma historical information in KZA's investor presentation included in Appendix A of this Offer Booklet, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future KZA performance including future share price performance.

The pro forma historical information is not represented as being indicative of KZA's views on its future financial condition and/or performance.

Jurisdictions

This Offer Booklet (including KZA's investor presentation included as part of it) and the entitlement and acceptance form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet nor the entitlement and acceptance form may be distributed in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered or sold to any person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The New Shares in the Entitlement Offer will be sold only outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

References to "you" and "your Entitlement"

In this Offer Booklet, references to "you" are references to Eligible Retail Shareholders (as defined in Section 5.1) and references to "your Entitlement" (or "your entitlement and acceptance form") are references to the Entitlement (or entitlement and acceptance form) of Eligible Retail Shareholders.

Times and dates

Times and dates in this Offer Booklet are indicative only and may be subject to change. All dates refer to Sydney time. Refer to the "Key Dates" section of this Offer Booklet for more details.

Currency

Unless otherwise stated, all dollar values in this Offer Booklet are in Australian dollars (AUD).

Trading in New Shares

KZA and the Underwriter will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by KZA, KZA's share registry or the Underwriter or failure to maintain their updated details with KZA's share registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

Refer to Section 4.1 for details.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Offer Booklet.

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KEY DATES

Event	Date
Trading halt	Wednesday, 30 September 2020
Announcement of Entitlement Offer	Thursday, 1 October 2020
Announcement of results of the Institutional Entitlement Offer, trading resumes on an ex-entitlement basis	Friday, 2 October 2020
Record date for Retail Entitlement Offer (7.00pm (Sydney time)) (Record Date)	Monday, 5 October 2020
Retail Entitlement Offer opens	Thursday, 8 October 2020
Offer Booklet and entitlement and acceptance form despatched, and announcement of despatch	Thursday, 8 October 2020
Settlement of the Institutional Entitlement Offer	Friday, 9 October 2020
Allotment of new shares under the Institutional Entitlement Offer	Monday, 12 October 2020
Quotation of new shares issued under the Institutional Entitlement Offer	Monday, 12 October 2020
Closing date for acceptances under the Retail Entitlement Offer (5.00pm (Sydney time)) (Closing Date)	Tuesday, 20 October 2020
Announcement of results of Retail Entitlement Offer	Friday, 23 October 2020
Settlement of the Retail Entitlement Offer	Monday, 26 October 2020
Allotment of New Shares issued 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 timetable above is indicative only and may change. KZA, with the prior written consent of the Underwriter, may amend any of these dates and times without notice, subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws. In particular, KZA reserves the right to extend the Closing Date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX. Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their entitlement and acceptance form as soon as possible after the Retail Entitlement Offer opens to ensure their application is received by KZA's share registry in time.

Enquiries

If you have any questions, please contact the KZA shareholder information line on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday during the Entitlement Offer period. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

LETTER FROM CHAIRMAN

8 October 2020

Dear shareholders

On behalf of the board of KZA, I am pleased to invite you to participate in the recently announced 1 for 3 accelerated non-renounceable entitlement offer of new ordinary shares in KZA (**New Shares**) at an issue price of \$0.80 per New Share (**Entitlement Offer**). The Entitlement Offer is underwritten by Bell Potter Securities Limited.

On 1 October 2020, KZA announced its intention to undertake the Entitlement Offer. The Institutional Entitlement Offer was completed on 1 October 2020, raising approximately \$16.4 million and attracting strong support from institutional shareholders with all eligible holders participating, and an overall take up by those parties of approximately 70%. I should add that all of the directors participated in the accelerated offer.

This Offer Booklet relates to the Retail Entitlement Offer.

Use of proceeds

The proceeds of the Entitlement Offer will be used to fund KZA's participation in GBM AGILE, the pivotal study for registration of paxalisib in glioblastoma, as well as to provide general working capital for KZA, and will allow the management team to focus single-mindedly on ensuring the successful development of paxalisib, without concern as to future funding.

Further detail is provided in KZA's Investor Presentation lodged with ASX on 1 October 2020 (and included as Appendix A of this Offer Booklet).

Retail Entitlement Offer

Under the Retail Entitlement Offer, eligible retail shareholders in Australia and New Zealand have the opportunity to subscribe for 1 New Shares for every 3 ordinary shares in KZA held at 7.00pm (Sydney time) on 7 October 2020 (Entitlement) at a price of \$0.80 per New Share, which is the same price as the institutional investors who participated in the Institutional Entitlement Offer (and as set out in your personalised Entitlement and Acceptance Form that is enclosed with this Offer Booklet). If you take up your Entitlement in full, you can also apply for additional shares in excess of your Entitlement under a top-up facility (refer to section 3.9 for more information).

The issue price of \$0.80 per New Share represents a:

- (a) 16.7% discount to last closing price of KZA's shares on 29 September 2020 of \$0.96 per share; and
- (b) 13.0% discount to the theoretical ex-rights price (TERP) of \$0.92 per share.¹

The Entitlement Offer is non renounceable and the Entitlements will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements they do not take up. I encourage you to consider this Entitlement Offer carefully.

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.

Offer Information

The Offer Booklet contains important information, including:

- (a) the Investor Presentation referred to above;
- (b) instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you chose to do so, and a timetable of key dates; and
- (c) instructions on how to take up all or a part of your Entitlement.

A personalised Entitlement and Acceptance Form which details your Entitlement accompanies this Offer Booklet. Please follow the instructions contained therein to apply for New Shares under the Retail Entitlement Offer.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Tuesday, 20 October 2020.

Please read in full the details on how to submit your application, which are set out in this Offer Booklet. You can accept by paying your Application Monies via BPAY[®]. If you choose to pay via BPAY[®] you are not required to submit the Entitlement and Acceptance form.

You should consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the Board of KZA, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Iain Ross
Chairman of the Board
Kazia Therapeutics Limited

1. IS THIS OFFER BOOKLET RELEVANT TO YOU?

This Offer Booklet is relevant to you if you are an Eligible Retail Shareholder (as defined below).

In this Offer Booklet, references to "you" are references to Eligible Retail Shareholders and references to "your Entitlement" (or "your entitlement and acceptance form") are references to the Entitlement (or entitlement and acceptance form) of Eligible Retail Shareholders.

Eligible Retail Shareholders are those persons who:

- 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 whom 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 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);
- were not invited to participate in the institutional component of the Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- is eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Ineligible Institutional Shareholders are those institutional shareholders on the Record Date with a registered address outside of Australia and New Zealand (or any other jurisdiction that KZA and the Underwriter agree) to whom the Entitlement Offer will not be extended in accordance with ASX Listing Rule 7.7.1(a).

2. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder you may take either of the following actions:

1. take up all or part of your Entitlement; or
2. do nothing and let all of your Entitlement lapse.

If you are a shareholder that is not an Eligible Retail Shareholder you are an **Ineligible Retail Shareholder**. Refer to Section 3.8 for more detail on Ineligible Retail Shareholders.

Options available to you	Key considerations
1. Take up all of your Entitlement	<p>If you wish to take up all of your Entitlement, you may elect to purchase all of the New Shares at the Offer Price specified in your personalised entitlement and acceptance form (see Section 3.5 for instructions on how to take up your Entitlement).</p> <p>The New Shares will rank equally in all respects with existing KZA ordinary shares.</p> <p>The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Tuesday, 20 October 2020.</p> <p>Eligible Retail Shareholders who take up their Entitlement in full can also apply for additional New Shares under a top-up facility established for that purpose (Top-Up Facility).</p>
2. Take up part of your Entitlement	<p>If you wish to take up only part of your Entitlement, you may elect to purchase a lesser number of New Shares at the Offer Price, than the number of New Shares specified in your personalised entitlement and acceptance form (see Section 3.5 for instructions on how to take up your Entitlement).</p> <p>The New Shares will rank equally in all respects with existing KZA shares.</p> <p>If you only take up part of your Entitlement, the relevant portion of your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements will be subscribed for under the Top-Up Facility or by the Underwriter or any sub-underwriters.</p> <p>The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Tuesday, 20 October 2020.</p>
3. Do nothing and let all of your Entitlement lapse	<p>If you do nothing with respect to all of your Entitlement, your Entitlement will lapse and you will receive no benefit. These Entitlements will be subscribed for under the Top-Up Facility or by the Underwriter or any sub-underwriters.</p> <p>By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Although you will continue to own the same number of KZA shares, your percentage shareholding in KZA will be diluted.</p>

3. HOW TO APPLY

3.1 Overview of the Retail Entitlement Offer

Eligible Retail Shareholders are being offered the opportunity to purchase 1 New Share for every 3 existing KZA shares held as at the Record Date of 7.00pm (Sydney time) on Monday, 5 October 2020, at the Offer Price of \$0.80 per New Share.

You have a number of decisions to make in respect of your Entitlement. You should read this Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Retail Entitlement Offer is fully underwritten by the Underwriter on the terms and conditions of the Underwriting Agreement (see Section 5.12 for more details). Further details on the Retail Entitlement Offer are set out below.

3.2 Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for 1 New Share for every 3 existing KZA shares held as at the Record Date at the Offer Price of \$0.80 per New Share.

The Retail Entitlement Offer opens on Thursday, 8 October 2020 and will close at 5.00pm (Sydney time) on Tuesday, 20 October 2020.

3.3 Your Entitlement

Your Entitlement is set out on the accompanying personalised entitlement and acceptance form and has been calculated as 1 New Share for every 3 existing KZA shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of KZA shares, you will be sent more than one personalised entitlement and acceptance form and you will have a separate Entitlement for each separate holding.

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing fully paid ordinary shares on issue in KZA.

See Sections 5.1 and 5.11 for information on restrictions on participation.

3.4 Consider the Entitlement Offer carefully in light of your particular investment objectives and circumstances

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Retail Entitlement Offer. As a result, it is important for you to read carefully and understand the information on KZA and the Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Offer Booklet, KZA's annual report for the financial year ended 30 June 2020 which was released to ASX on 27 August 2020, and other announcements made available at www.kaziatherapeutics.com (including announcements which may be made by KZA after publication of this Offer Booklet).

Please consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. You should also refer to the "Risks of the Investment" section in the Appendices in KZA's investor presentation included in Appendix A of this Offer Booklet.

3.5 Options available to you

If you are an Eligible Retail Shareholder, you may take either of the following actions:

1. take up all of your Entitlement; or
2. take up part of your Entitlement and let the remainder lapse; or
3. do nothing and let all of your Entitlement lapse.

Eligible Retail Shareholders who do not participate fully in the Retail Entitlement Offer will have their percentage holding in KZA reduced.

If you wish to participate in the offer, you are encouraged to apply via BPAY in light of delays to postal services caused by the COVID-19 pandemic, as you do not need to return the Application Form enclosed with this Booklet if you choose this option.

If you wish to take up all of your Entitlement

If you wish to take up all of your Entitlement, please either:

1. complete and return the personalised entitlement and acceptance form with the requisite Application Monies for all of the New Shares in your Entitlement; or
2. pay your Application Monies for all of the New Shares in your Entitlement via BPAY® by following the instructions set out on the personalised entitlement and acceptance form,

so that they are received by KZA's share registry by no later than 5.00pm (Sydney time) on Tuesday, 20 October 2020.

If you take up and pay for all your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on Tuesday, 27 October 2020. KZA's decision on the number of New Shares to be issued to you will be final.

KZA also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders, if KZA believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to KZA's satisfaction (see Section 5.4).

Eligible Retail Shareholders who take up their Entitlement in full can also apply for additional New Shares under the Top-Up Facility.

If you wish to take up part of your Entitlement

If you wish to take up only part of your Entitlement, please either:

1. complete and return the personalised entitlement and acceptance form with the requisite Application Monies for the number of New Shares in your Entitlement that you wish to subscribe for; or
2. pay your Application Monies for the relevant number of New Shares via BPAY® by following the instructions set out on the personalised entitlement and acceptance form,

so that they are received by KZA's share registry by no later than 5.00pm (Sydney time) on Tuesday, 20 October 2020.

If you take up and pay part of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on Tuesday, 27 October 2020. KZA's decision on the number of New Shares to be issued to you will be final.

If you do not take up all of your Entitlement, the relevant part of your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements will be subscribed for under the Top-Up Facility or by the Underwriter or any sub-underwriters.

KZA also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders, if KZA believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to KZA's satisfaction (see Section 5.4).

If you wish to let all of your Entitlement lapse

If you do nothing with respect to your Entitlement, your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements will be subscribed for under the Top-Up Facility or by the Underwriter or any sub-underwriters.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Although you will continue to own the same number of KZA shares, your percentage shareholding in KZA will be diluted.

3.6 Payment

You can pay in the following ways:

1. by BPAY®; or
2. by cheque.

Cash payments will not be accepted. Receipts for payment will not be issued.

KZA will treat you as applying for as many New Shares as your payment will pay for in full.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised entitlement and acceptance form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific biller code and your unique reference number on your personalised entitlement and acceptance form. If you have multiple holdings and consequently receive more than one personalised entitlement and acceptance form, when taking up your Entitlement in respect of one of those holdings only use the reference number specific to that holding. If you do not use the correct reference number specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

1. you do not need to submit your personalised entitlement and acceptance form but are taken to make the declarations, representations and warranties on that entitlement and acceptance form and in Section 3.7; and
2. if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by KZA's share registry by no later than 5.00pm (Sydney time) on Tuesday, 20 October 2020. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make your payment.

Payment by cheque

For payment by cheque, you should complete your personalised entitlement and acceptance form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to "Kazia Therapeutics Limited" and crossed "Not negotiable".

Your cheque must be:

1. for an amount equal to \$0.80 multiplied by the number of New Shares that you are applying for; and
2. in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised entitlement and acceptance form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised entitlement and acceptance form). Alternatively, your application will not be accepted.

Because of postal delays caused by the impact of the COVID-19 pandemic, we strongly encourage payment by BPAY®. Personalised entitlement and acceptance forms and Application Monies will not be accepted at KZA's registered or corporate offices or other offices of KZA's share registry.

3.7 Representations by acceptance

By completing and returning your personalised entitlement and acceptance form or making a payment by BPAY®, you will be deemed to have represented and warranted to KZA and the Underwriter (and their respective related bodies corporate and affiliates) that you:

- did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholders and are otherwise eligible to participate in the Retail Entitlement Offer;
- acknowledge that you have read and understand this Offer Booklet and your personalised entitlement and acceptance form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Offer Booklet, and KZA's constitution;
- authorise KZA to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised entitlement and acceptance form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised entitlement and acceptance form;

- acknowledge that once KZA receives your personalised entitlement and acceptance form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided, except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised entitlement and acceptance form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- authorise KZA, the Underwriter, KZA's share registry and their respective officers, employees or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of KZA's share registry upon using the contact details set out in your personalised entitlement and acceptance form;
- acknowledge and agree that:
 - determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of KZA and the Underwriter;
 - each of KZA and the Underwriter, and each of their respective affiliates, related bodies corporate, directors, employees, officers, representatives, agents, partners, consultants and advisers, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- declare that you were the registered holder(s) at the Record Date of the shares in KZA indicated on your personalised entitlement and acceptance form as being held by you on the Record Date;
- acknowledge that the information contained in this Offer Booklet and your personalised entitlement and acceptance form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in KZA and is given in the context of KZA's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Risks of the Investment" section in the Appendices in KZA's investor presentation included in Appendix A of this Offer Booklet and that investments in KZA are subject to risk;
- acknowledge that none of KZA, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of KZA, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of shares on the Record Date;
- authorise KZA to correct any errors in your personalised entitlement and acceptance form or other form provided by you;
- are an Eligible Retail Shareholder and that the law of any place does not prohibit you from being given this Offer Booklet and the personalised entitlement and acceptance form, nor does it

prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;

- are not in the United States and you are not acting for the account or benefit of a person in the United States (to the extent such person holds KZA ordinary shares for the account or benefit of such person in the United States);
- understand and acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. The New Shares may not be offered, sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- agree that if in the future you decide to sell or otherwise transfer the New Shares you will only do so in regular transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;
- have not and will not send this Offer Booklet, the entitlement and acceptance form, or any other materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia or New Zealand; and
- if acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the entitlement and acceptance form (i) is resident in Australia or New Zealand, or is an Institutional Investor in another Permitted Jurisdiction (as contemplated in the “International Offering Restrictions” section of the investor presentation included in Appendix A of this Offer Booklet), and (ii) is not in the United States, and you have not sent this Offer Booklet, the entitlement and acceptance form or any information relating to the Entitlement Offer to any such person.

3.8 Entitlements of Ineligible Retail Shareholders

In compliance with ASX Listing Rule 7.7.1 and section 708AA (including section 9A) of the Corporations Act as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*, KZA has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of KZA shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside of Australia and New Zealand, but it reserves its right to do so (subject to compliance with relevant laws).

Entitlements of Ineligible Retail Shareholders will be subscribed for under the Top-Up Facility or by the Underwriter or sub-underwriters.

3.9 Issue of additional New Shares under the Top-Up Facility

Any New Shares not taken up by the Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Top-Up Facility at the same Offer Price (**Eligible Top-Up Facility Participants**). An Eligible Top-Up Facility Participant can apply for additional New Shares under the Top-Up Facility of up to 100% of their full Entitlement.

There is no guarantee that those Eligible Top-Up Facility Participants Shareholders will receive the number of New Shares applied for under the Top-Up Facility, or any. If Eligible Top-Up Facility Participants apply for more New Shares than are available under the Top-Up Facility, the Directors propose to scale back applications for additional New Shares and that New Shares available under the Top-Up Facility be allocated to Eligible Top-up Facility Participants.

Additional New Shares will only be allocated to Eligible Top-Up Facility Participants if available, and subject to the Corporations Act, ASX Listing Rules and other applicable laws and regulations. If you apply for additional New Shares under the Top-Up Facility and your application is successful (in whole or in part) your New Shares will be issued at the same time that other New Shares are issued under the Retail Entitlement Offer. There is no guarantee you will receive any New Shares under the Top-Up Facility.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer. If you wish to advise or change your banking instructions with KZA's share registry you may do so by going to www-au.computershare.com/Investor and following the instructions.

3.10 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer.

3.11 Enquiries

If you have not received or you have lost your personalised entitlement and acceptance form, or have any questions, please contact the KZA shareholder information line on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday during the Entitlement Offer period. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

4. AUSTRALIAN TAX CONSIDERATIONS

4.1 Introduction

This is a general summary of the Australian taxation consequences of the Retail Entitlement Offer for Eligible Retail Shareholders that hold their shares on capital account for Australian income tax purposes. The categories of shareholders considered in this summary are limited to individuals, complying superannuation entities and certain companies, trusts or partnerships. This summary does not consider the consequences for shareholders who:

- hold existing shares, New Shares or Entitlements in a business of share trading, dealing in securities or otherwise hold their existing shares, New Shares or Entitlements on revenue account or as trading stock;
- acquired existing shares in respect of which the Entitlements are issued under an employee share scheme;
- are subject to the 'Taxation of Financial Arrangements' provisions in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) in relation to their holding of shares, New Shares or Entitlements; or
- are tax residents of any jurisdiction other than Australia.

The information contained in this summary is of a general nature and is not intended to address the circumstances of any particular individual or entity.

This summary is based upon the legislation and established interpretation of legislation as at the date of this Offer Booklet, but is not intended to be an authoritative or complete statement of the law as relevant to the circumstances of each shareholder.

As the taxation implications of the Retail Entitlement Offer will depend upon a shareholder's particular circumstances, shareholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Retail Entitlement Offer that are not covered by this summary. Such shareholders should seek and rely upon their own professional taxation advice in relation to the taxation implications of the Retail Entitlement Offer in any jurisdictions that are relevant to them.

Neither KZA nor any of its officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Retail Entitlement Offer.

4.2 Income tax consequences of Entitlements

a) Issue of Entitlements

The issue of Entitlements to Australian resident shareholders should not, of itself, give rise to any amount of assessable income or capital gain for shareholders.

b) Exercise of Entitlements

The exercise of Entitlements should not, of itself, give rise to any capital gain under the capital gains tax (CGT) provisions.

Eligible Retail Shareholders that exercise their Entitlements will receive New Shares. New Shares (including additional New Shares issued under the Top-up Facility) will be taken to have been acquired on the day on which the Entitlements were exercised for CGT purposes.

The CGT cost base of each New Share acquired will be the sum of the amount paid to exercise the corresponding Entitlement (i.e. the Offer Price) or the amount paid under the Top-up Facility and any incidental costs in acquiring the New Shares.

c) Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse. There should not be any capital gain or loss for an Eligible Retail Shareholder from the lapse of the Entitlement.

4.3 Income tax consequences of New Shares

The New Shares should constitute CGT assets for CGT purposes.

Dividends paid to Eligible Retail Shareholders in relation to their New Shares should generally be subject to the same income tax treatment as dividends in relation to existing shares held in KZA in the same circumstances.

As outlined above, the CGT cost base of a New Share should generally be equal to the sum of the amount paid to exercise the corresponding Entitlement (i.e. the Offer Price) and any incidental costs in acquiring the New Share. Any future sale of New Shares will constitute a disposal for CGT purposes. A capital gain will arise if the capital proceeds on disposal exceed the CGT cost base of a New Share. A capital loss will arise if the capital proceeds on disposal are less than the reduced CGT cost base of a New Share.

Shareholders may be able to apply carried forward or current year losses to reduce their capital gain on disposal. The ability to utilise losses is dependent on meeting the relevant tests.

Non-corporate shareholders may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is available where the New Shares have been held for more than 12 months or more prior to disposal. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual shareholder and a one-third reduction of a capital gain for an Australian tax resident complying superannuation entity shareholder (including generally where a flow through trust or partnership distributes to such shareholders), after offsetting any current or carried forward losses.

In relation to trusts or partnerships including limited partnerships, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries or partners, subject to certain requirements being satisfied.

Australian tax resident shareholders who hold New Shares on revenue account, as trading stock or are subject to the rules in Division 230 of the ITAA 1997 concerning the taxation of financial arrangements should seek separate independent professional advice.

4.4 Non-resident CGT withholding

Specific rules can apply to the disposal of certain taxable Australian property under contracts entered into on or after 1 July 2016, whereby, a 12.5% non-final withholding tax may be applied. However, the new rules should not apply to the disposal of a New Share on ASX (in accordance with a specific exemption).

4.5 Provision of Tax File Number (TFN) or Australian Business Number (ABN)

Australian tax legislation imposes withholding tax at the highest marginal rate (currently 45% plus a Medicare levy of 2%) on the payment of distributions on certain types of investments, such as the unfranked part of any dividend, where no TFN or ABN (if applicable) has been provided and no exemption applies.

Australian tax resident shareholders may be able to claim a tax credit/refund (as applicable) in respect of any TFN/ABN tax withheld on dividends in their income tax returns.

Shareholders that have not previously provided their TFN or ABN (if applicable) to KZA's share registry may wish to do so prior to the close of the Retail Entitlement Offer to ensure that withholding tax is not deducted from any future dividend payable to them.

An Eligible Retail Shareholder is not obliged to provide their TFN or ABN, where relevant, to KZA.

4.6 Other Australian taxes

GST and stamp duty should not generally be payable in relation to the issue, sale, or exercise of Entitlements, nor in relation to the acquisition of New Shares.

Eligible Retail Shareholders may however be restricted in their ability to claim input tax credits in relation to costs incurred in relation to their acquisition of the New Shares (such as costs relating to professional advice obtained by shareholders regarding the Entitlement). This will depend on each Eligible Retail Shareholder's particular circumstances and as such this should be reviewed by shareholders prior to making any claim.

5. IMPORTANT INFORMATION

This Offer Booklet (including KZA's investor presentation in Appendix A) and enclosed personalised entitlement and acceptance form have been prepared by KZA.

This Offer Booklet is dated 8 October 2020 (other than KZA's investor presentation, released to ASX on 1 October 2020) and also available at www.kaziatherapeutics.com. The information in this Offer Booklet remains subject to change without notice and KZA is not responsible for updating such information.

There may be additional announcements made by KZA after the date of this Offer Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by KZA (by visiting ASX's website at www.asx.com.au, or KZA's website at www.kaziatherapeutics.com) before submitting your application to take up your Entitlement.

No party other than KZA has authorised or caused the issue of the information in this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in such information.

The information in this Offer Booklet is important and requires your immediate attention.

You should read the information in this Offer Booklet carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the "Risks of the Investment" section in the Appendices in KZA's investor presentation included in Appendix A of this Offer Booklet, any of which could affect the operating and financial performance of KZA or the value of an investment in KZA.

You should consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

5.1 Eligible Retail Shareholders

This Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia and has been prepared in accordance with section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*).

Eligible Retail Shareholders are those persons who:

- are registered as a holder of KZA shares as at the Record Date, being 7.00pm (Sydney time) on Monday, 5 October 2020;
- have a registered address on the KZA share register in Australia or New Zealand, or are a Shareholder that KZA has otherwise decided is entitled to participate;
- 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 such person holds KZA shares for the account or benefit of such person in the United States);
- were not invited to participate in the Institutional 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.

Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. KZA reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By returning a completed personalised entitlement and acceptance form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

5.2 Ranking of New Shares

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing fully paid ordinary shares on issue in KZA. The rights and liabilities attaching to the New Shares are set out in KZA's constitution, a copy of which is available at www.kaziatherapeutics.com.

5.3 Risks

KZA's investor presentation details important factors and risks that could affect the financial and operating performance of KZA. You should refer to the "Risks of the Investment" section in the Appendices in KZA's investor presentation released to ASX on Thursday, 1 October 2020, which is included in Appendix A of this Offer Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

5.4 Reconciliation, and the rights of KZA and the Underwriter

The Retail Entitlement Offer and the calculation of entitlements is a complex process. There may be a need to undertake a reconciliation of entitlements. If reconciliation is required, it is possible that KZA may need to issue additional New Shares to ensure that the relevant investors receive their appropriate allocation of New Shares.

KZA also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders or other applicable investors, if KZA believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. The relevant shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Retail Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by KZA in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of KZA or the Underwriter to require any of the actions set out above.

5.5 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

5.6 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

5.7 Quotation and trading of New Shares

KZA will apply for quotation of the New Shares on ASX in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, KZA will repay all Application Monies (without interest). It is expected that trading on ASX of New Shares to be issued under the Retail Entitlement Offer will commence at 10.00am (Sydney time) on Tuesday, 27 October 2020 on a normal settlement basis. Application Monies will be held by KZA on trust for applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. KZA and the Underwriter will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by KZA, KZA's share registry or the Underwriter or failure to maintain their updated details with KZA's share registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

5.8 Notice to nominees and custodian

If KZA believes you hold KZA shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Retail Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.

Persons acting as nominees for other persons must not take up Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States or elsewhere outside Australia and New Zealand except to Institutional Investors in other Permitted Jurisdictions (as contemplated in the "International Offering Restrictions" section of the investor presentation included in Appendix A of this Offer Booklet).

KZA is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of KZA shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Retail Entitlement Offer by the beneficiary complies with applicable foreign laws, consistent with the guidance provided above.

5.9 Not investment advice

This Offer Booklet is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. KZA is not licensed to provide financial product advice in respect of the New Shares. This Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with KZA's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.kziatherapeutics.com.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this Offer Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser or call the KZA shareholder information line on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday during the Entitlement Offer period.

5.10 Information availability

If you are in Australia you can obtain a copy of this Offer Booklet during the period of the Retail Entitlement Offer by calling the KZA shareholder information line on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday during the Entitlement Offer period.

A replacement entitlement and acceptance form can also be requested by calling the KZA shareholder information line.

If you access the electronic version of this Offer Booklet, you should ensure that you download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the KZA website will not include an entitlement and acceptance form.

5.11 Foreign jurisdictions

The information in this Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia. To the extent that you hold shares in KZA or Entitlements on behalf of another person resident outside Australia, it is your responsibility to ensure that any participation (including for your own account or when you hold shares in KZA or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised entitlement and acceptance form is not in the United States and not acting for the account or benefit of a person in the United States.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of this Offer Booklet (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions. See the foreign selling restrictions set out in KZA's investor presentation included in Appendix A of this Offer Booklet for more information.

Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of KZA with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the provisions of the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

5.12 Underwriting

KZA has entered into an underwriting agreement (**Underwriting Agreement**) with the 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, KZA 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 KZA 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 KZA 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 KZA will be removed from the official list or that its shares will be delisted or suspended from quotation by ASX;
- KZA 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;
- KZA 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 KZA 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 KZA is charged with an indictable offence, or a public action is commenced by a government authority against any of KZA's directors or a government authority announces that

it intends to take that action, or a director of KZA is disqualified from managing a corporation under applicable law;

- civil or criminal proceedings are brought against KZA, or any officer of KZA, in relation to any fraudulent, misleading or deceptive conduct relating to KZA 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;
- KZA, 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, an Underwriter under applicable law. Such events include where:

- a representation or warranty contained in the Underwriting Agreement on the part of KZA 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;
- KZA 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 KZA 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 KZA to the Underwriter is or becomes misleading or deceptive (including by omission);
- a statement in a certificate which is required to be furnished by KZA 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 KZA 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. Termination of the Underwriting Agreement by the Underwriter could have an adverse impact on the amount of proceeds raised by the Offer.

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 KZA 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.

5.13 Underwriter

Neither the Underwriter nor any of the other Underwriter Parties have authorised, permitted or caused the issue or lodgement, submission, dispatch nor provision of this Offer Booklet and none of them take responsibility for any statements made in this Offer Booklet or any action taken by you on the basis of such information. None of the Underwriter Parties has authorised, approved or verified any forward-looking statements (or any other statements) in this Offer Booklet. To the maximum extent permitted by law, the Underwriter Parties expressly exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this Offer Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of this Offer Booklet.

The Underwriter Parties take no responsibility for any part of this Offer Booklet or liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Offer Booklet or otherwise arising in connection with either of them.

The Underwriter Parties make no recommendation as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties, express or implied, to you concerning the Offer or any such information, and by returning an entitlement and acceptance form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the entitlement and acceptance form, you represent, warrant and agree that you have not relied on any statements made by the Underwriter Parties in relation to the New Shares or the Offer generally.

5.14 Governing law

This Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the entitlement and acceptance forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

5.15 Disclaimer or representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by KZA, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of KZA, nor any other person, warrants or guarantees the future performance of KZA or any return on any investment made pursuant to this Offer Booklet or its contents.

5.16 Withdrawal of the Entitlement Offer

KZA reserves the right to withdraw all or part of the Entitlement Offer at any time, subject to applicable laws, in which case KZA will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, KZA may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to KZA will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to KZA.

5.17 Privacy

As a shareholder, KZA and KZA's share registry have already collected certain personal information from you. If you apply for New Shares, KZA and KZA's share registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, KZA and KZA's share registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares, KZA's share registry for ongoing administration of the register, or to printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handling of mail, or as otherwise under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) KZA or KZA's share registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to KZA through KZA's share registry as follows:

Computershare Investor Services Pty Ltd
GPO Box 505
Melbourne VIC 3001
privacy@computershare.com.au
Ph: 1300 855 080 (within Australia)
Ph: +61 3 9415 4000 (outside Australia)

6. GLOSSARY

\$ or A\$ or AUD means references to dollar amounts in Australian currency.

ADR means the American Depository Receipts relating to the Company trading on the NASDAQ exchange.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Business Day means a day that is not a Saturday, Sunday or a public holiday in Sydney, Victoria.

Company means Kazia Therapeutics Limited ACN 063 259 754.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the board of directors of the Company.

Eligible Retail Shareholders has the meaning given in Section 1 of this Offer Booklet.

Entitlement means the right to subscribe for New Shares pursuant to this Offer.

Entitlement and Acceptance Form means the form which is attached to this Prospectus.

KZA means Kazia Therapeutics Limited ACN 063 259 754.

Ineligible Retail Shareholders has the meaning given in Section 1 of this Offer Booklet.

Institutional Investor means an institutional or professional investor in the Permitted Jurisdictions outside Australia and New Zealand, and in particular:

- (a) if in **Hong Kong**, is a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;
- (b) if in **Singapore**, an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act of Singapore ("SFA")); or
- (c) if in the **United Kingdom**, (i) a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing Section 86(7) of the UK Financial Services and Markets Act 2000; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

New Share means a Share issued pursuant to the Offer under this Offer Booklet.

Offer or Entitlement Offer or Retail Entitlement Offer means the offer of New Shares in accordance with this Offer Booklet.

Offer Booklet means this offer booklet.

Offer Period means the Opening Date to the Closing Date.

Permitted Jurisdictions means Australia, Hong Kong, New Zealand, Singapore and the United Kingdom.

Section means a section of this Offer Booklet.

Share means a fully paid ordinary share in the issued capital of the Company.

Shareholder means a registered holder of one or more Shares.

Underwriter means Bell Potter Securities Limited (ACN 006 390 772).

Underwriting Agreement has the meaning given in Section 5.12 of this Offer Booklet.

US Securities Act means the US Securities Act of 1933, as amended.

Appendix A Investor Presentation

NOT FOR RELEASE TO US WIRE SERVICES
OR DISTRIBUTION IN THE UNITED STATES



Non-Renounceable Entitlement Offer to Shareholders

Investor Presentation

1 October 2020

ASX: KZA | NASDAQ : KZIA | Twitter: @KaziaTx

Corporate Overview



A black icon of a person with a checkmark, representing company information.	Company Description	Oncology-focused, mid-clinical-stage, small-molecule biotechnology company, headquartered in Sydney, Australia
A black icon of a stethoscope, representing medical or clinical pipeline.	Pipeline	Paxalisib – brain-penetrant PI3K / mTOR inhibitor about to enter international phase III for glioblastoma Cantrixil – cancer stem cell-targeting agent in phase I for ovarian cancer
A black icon of a line graph with an upward arrow, representing financial data.	Financials	Listed on ASX (KZA) and NASDAQ (KZIA) with a market capitalization of ~AU\$ 90 million Current assets at 30 Jun 2020 of AU\$ 10.7 million

Chairman's Introduction



Iain Ross
Chairman of the Board

Dear Fellow Shareholders,

Our company stands poised to commence the GBM AGILE pivotal study for the registration of our lead program, paxalisib. This is an exciting place to be for any biotech company, and it will launch Kazia on a direct path to commercialisation of this tremendously promising asset.

As you will be aware from recent financial statements, we have cash at bank to last us well into CY2021. However, after careful and extensive deliberation, your Board are of the view that it is the best interests of the company, its shareholders, and our partners to ensure we are well financed for the likely duration of the study, before we begin recruiting patients. This financial security is especially critical in the context of capital markets that remain highly volatile due to the ongoing COVID pandemic.

We are therefore launching today a non-renounceable entitlement offer, in which all shareholders in the company shall have the ability to purchase one new share for every 3 shares held, at a price of \$0.80. The transaction is led by Bell Potter Securities Limited. The funds raised will directly fund our participation in the GBM AGILE study, as well as providing working capital to the company, and will allow the management team to focus single-mindedly on ensuring the successful development of paxalisib, without concern as to future funding.

Our major Australian shareholders have committed to participate, as have all four Directors of the company.

This financing will leave us very comfortably funded to take paxalisib into its pivotal study, and will position Kazia as a late-stage global oncology company with a highly-compelling asset and a well-funded path to market. The proceeds of our previous rounds have allowed us to substantially increase the value of the company, and we intend to apply the proceeds of this transaction to complete the journey we have begun. As such, my colleagues and I commend it to you for your careful consideration.

Yours sincerely,

Overview of the Offer

OFFER STRUCTURE	A1 for 3 accelerated pro-rata non-renounceable entitlement offer to raise approximately A\$25 million (Entitlement Offer) via the issue of approximately 31.5 million new ordinary shares (New Shares).
OFFER PRICE	All New Shares under the Entitlement Offer will be issued at A\$0.80 per New Share (Offer Price), representing: <ul style="list-style-type: none"> 16.7% discount to last closing price of A\$0.96 per share on 29 September 2020; 13.0% discount to TERP of A\$0.92 per share¹
DIRECTOR AND SHAREHOLDER COMMITMENTS	All KZA Directors have confirmed their intention to participate (either fully or in part) in the Entitlement Offer.
RETAIL ENTITLEMENT OFFER	<ul style="list-style-type: none"> Retail Entitlement Offer to existing eligible retail shareholders The Retail Entitlement Offer will open on Thursday 8 October 2020 and close at 5:00pm on Tuesday 20 October 2020
LEAD MANAGER	The Entitlement Offer is led by Bell Potter Securities Limited
RANKING	All New Shares issued will rank pari passu with existing ordinary shares on issue
RECORD DATE	7:00pm (Sydney time) Monday 5 October 2020

Note: (1) The theoretical ex-rights price ("TERP") is the theoretical price at which a KZA shares should trade at immediately after the ex-date for the Entitlement Offer. It is a theoretical calculation only and the actual price at which KZA shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is based on the Entitlement Offer shares only and is calculated by reference to KZA's closing price of \$0.96 on 29 September 2020.

Use of Funds

Proceeds of the Offer will be used to fund Kazia's participation in GBM AGILE, the pivotal study for registration of paxalisib in glioblastoma, and for general working capital to the company

Timing of Deployment	<ul style="list-style-type: none"> • Kazia anticipates execution of a definitive agreement to operationalise GBM AGILE in October 2020, and will begin deployment of funds immediately thereafter • Funds will continue to be deployed over the course of the GBM AGILE study, in accordance with an agreed schedule of payments
Anticipated Outcome	<ul style="list-style-type: none"> • Kazia expects GBM AGILE to serve as the definitive clinical study for regulatory approval of paxalisib in the United States and other key markets
Strategic Implications	<ul style="list-style-type: none"> • Kazia will become a late-stage clinical company, with a high-value asset in a pivotal study for registration • The company will emerge well-funded to execute the study, with little exposure to future capital market volatility • Progression to phase III is consistent with the company's declared strategy of expediting the advancement of paxalisib towards a commercial product • Significant opportunity for value creation as further positive clinical data is generated; cashflow will likely follow a partnering transaction for paxalisib

Investment Rationale

World-Class Asset in Brain Cancer

- Paxalisib developed by Genentech, the world's most successful cancer drug company
- Well-proven mechanism of action, with unique differentiating factor of brain penetration
- Strong scientific rationale for development in brain cancer
- Encouraging clinical data emerging from US-based phase II study
- Potential best-in-class toxicity profile

Clear Path to Commercialisation

- FDA-endorsed GBM AGILE study will serve as pivotal study for registration
- US\$ 1.5 billion pa commercial opportunity in glioblastoma, with potential upside in other cancers
- High unmet medical need – existing standard of care ineffective in two-thirds of patients
- 5x additional clinical studies at top tier US hospitals provide multiple shots on goal
- Optimised regulatory position with Orphan, Fast Track, and Rare Paediatric Disease Designations

Strong Corporate Story Post-Transaction

- Kazia will be a late-clinical-stage company, funded for phase III, with one of the leading assets in the global glioblastoma pipeline, and the potential to address a \$1.5 billion market
- Highly-efficient operating model, with ~80% of expenditure applied directly to R&D
- Lean team of internationally-experienced drug developers
- Good potential for partnering and / or M&A during remaining development of paxalisib

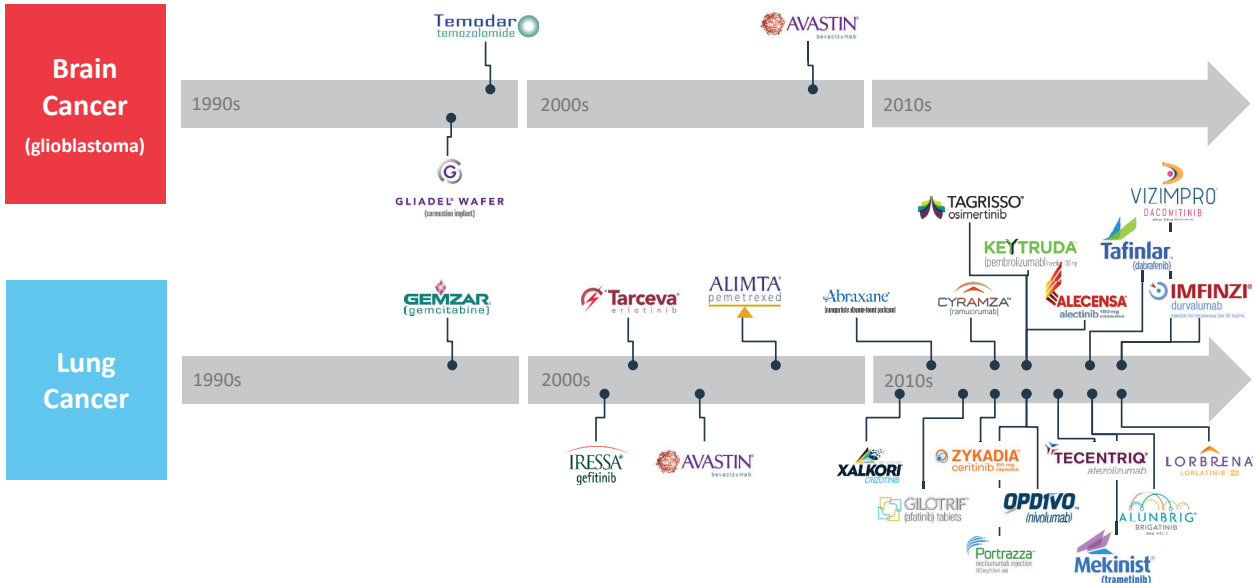
Entitlement Offer Timetable

KZA placed in trading halt on ASX	Wednesday 30 September 2020
Institutional Entitlement Offer opens	Thursday 1 October 2020
Institutional Entitlement Offer closes	Thursday 1 October 2020
Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Friday 2 October 2020
Record Date for determining entitlement to subscribe for New Shares (7pm 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	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
Despatch of holding statements	Wednesday 28 October 2020

The above timetable is indicative and subject to variation. KZA reserves the rights to alter the timetable at its absolute discretion and without notice, subject to the ASX Listing Rules and the Corporations Act and other applicable law. All dates and times refer to Sydney time.

Program Overview

Treatment of brain cancer has improved little in recent decades, unlike other cancers



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Paxalisib was designed specifically to overcome challenges associated with brain cancer treatment

Challenge	Approach	Commercially Attractive
Blood-Brain Barrier Most cancer therapies do not penetrate the BBB	Brain-Penetration GDC-0084 is designed to cross the blood-brain barrier	<ul style="list-style-type: none"> Composition of matter patents through to 2031 in most jurisdictions Straightforward chemical synthesis; highly stable API; inexpensive manufacture 15mg capsule presentation for once-daily oral administration Limited toxicities and drug interactions Toxicology and CMC packages already largely sufficient for registration
Tumour Heterogeneity Brain tumours exhibit a wide range of genetic aberrations	Rational Target Selection PI3K pathway is affected in 85-90% of GBM cases and many brain mets	
Toxicity Some PI3K inhibitors have shown evidence of significant toxicity	Favourable Safety Profile No evidence of GI, blood, renal, or CNS toxicities	
Treatment Resistance Mechanisms Tumour rapidly develops resistance to single agent treatment approaches	Multiple Pharmacological Activities GDC-0084 active against all PI3K isoforms and also mTOR	
Clinical Population GBM patients with recurrent disease often have significant morbidity	Newly-Diagnosed Patients Lead indication for GDC-0084 is first-line use in GBM	

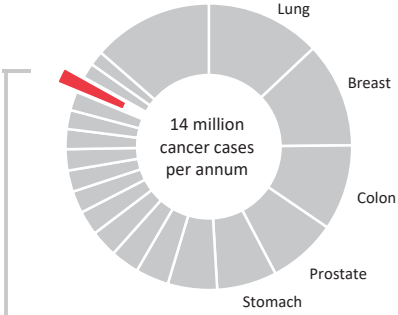
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The PI3K class is well-established, but paxalisib is unique in its ability to cross the blood-brain barrier

GILEAD	BAYER	Verastem	NOVARTIS	KAZIA THERAPEUTICS
Zydelig (idelalisib)	Aliqopa (copanlisib)	Copiktra (duvelisib)	Piqray (alpelisib)	paxalisib
				
FDA Approved July 2014 (blood cancers) [accelerated approval] ✓	FDA Approved September 2017 (blood cancers) [accelerated approval] ✓	FDA Approved October 2018 (blood cancers) [accelerated approval] ✓	FDA Approved May 2019 (breast cancer) [accelerated approval] ✓	In phase II human trials under US FDA oversight (brain cancer)
Does <u>not</u> cross blood-brain barrier ✗	Does <u>not</u> cross blood-brain barrier ✗	Does <u>not</u> cross blood-brain barrier ✗	Does <u>not</u> cross blood-brain barrier ✗	<u>Does</u> cross blood-brain barrier ✓
Potentially fatal liver toxicity and diarrhoea ✗	Potentially fatal infections ✗	Potentially fatal infections & diarrhoea ✗	Limited toxicities to date ✓	Appears generally safe and well-tolerated thus far ✓

Glioblastoma (GBM) is the most common and most aggressive form of primary brain cancer



14 million cancer cases per annum

Glioblastoma Multiforme
133,000 cases per annum worldwide

Indicative Market Opportunity
US\$ 1.5 billion


No clear cause
or strong risk factors

3-4 months
untreated survival


12-15 months
average survival with treatment

Any age, but most common in
60s


Five-year survival
3 – 5%
(breast cancer: 90%)




Sen. John McCain
US politician




Matt Price
ABC journalist



Stan Zemanek
Media personality



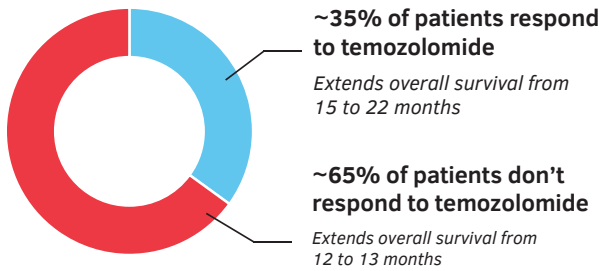
Andrew Olle
ABC Journalist



Chris O'Brien, AO
Surgeon

Temozolomide is only FDA-approved drug for GBM; it is ineffective in ~65% of cases

Standard of Care ('Stupp Regimen')



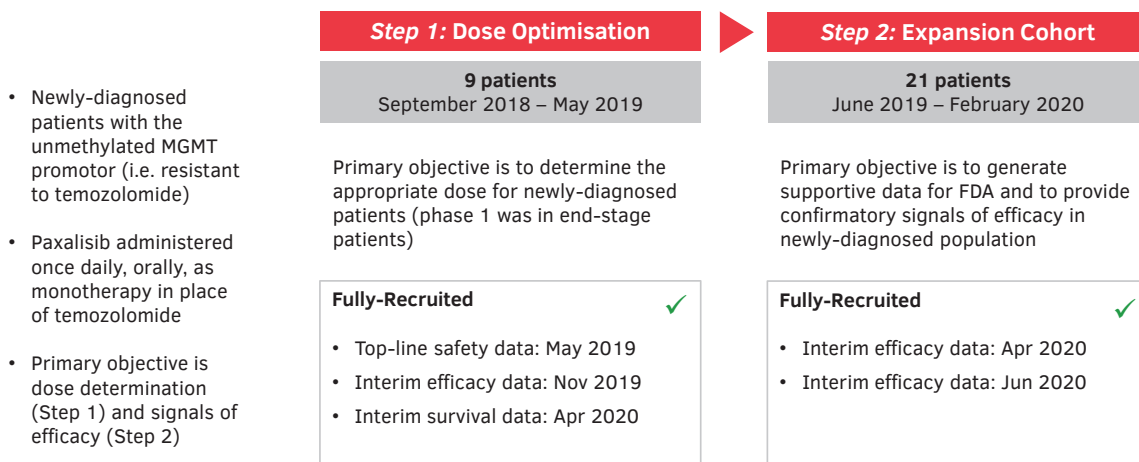
Paxalisib is being developed for the ~65% of newly-diagnosed GBM patients who will not respond to existing chemotherapy with temozolomide

For these patients, there is no effective pharmacological treatment currently available

Source: ME Hegi, A-C Diserens, T Gorlia, et al. (2005). *N Engl J Med* 352:997-1003

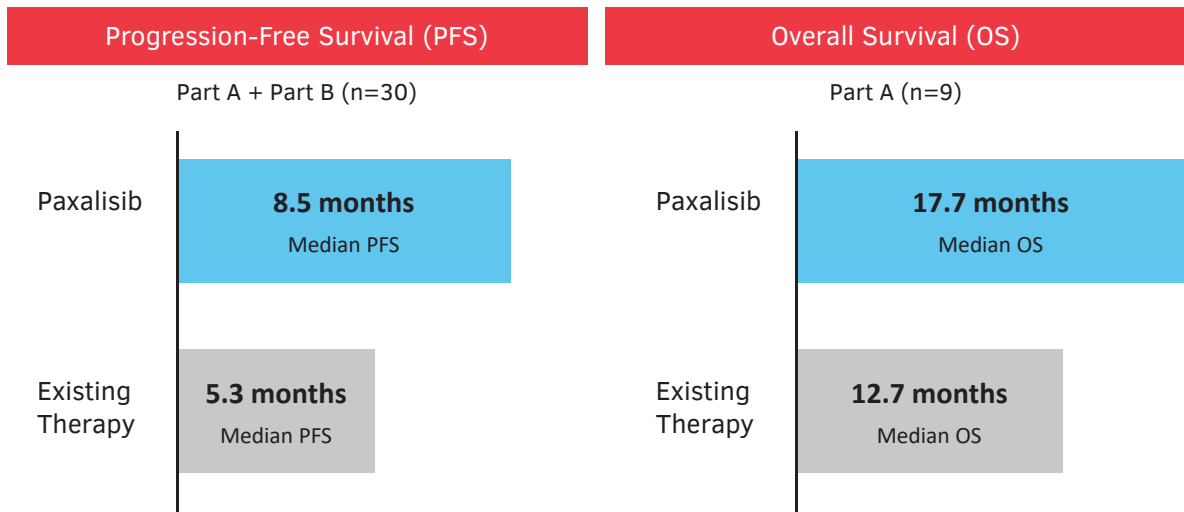
Note: Temozolomide is only approved therapy for newly-diagnosed patients; Avastin (bevacizumab) is approved for use in recurrent setting

The ongoing phase II study is designed to focus on newly-diagnosed patients, following radiotherapy



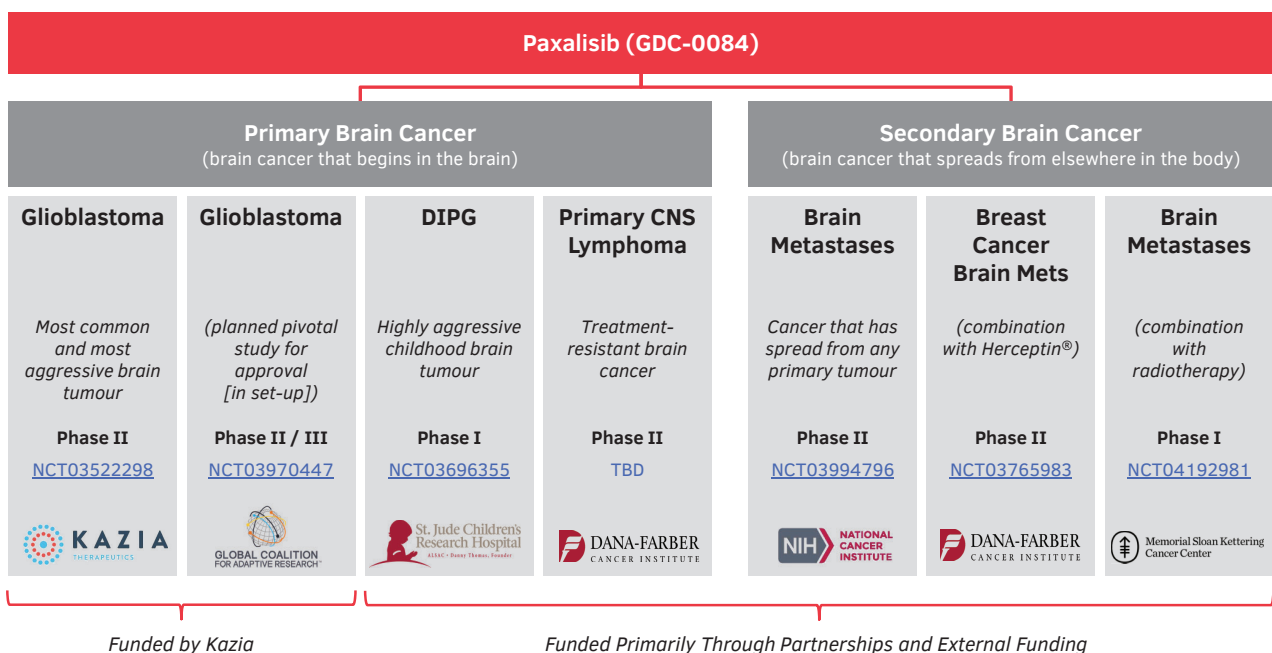
Note: timelines are estimated and subject to periodic revision based on recruitment performance and treatment effect

New phase II data compares favourably to historical data for temozolomide (existing standard of care)



Note: figures for existing therapy are for temozolomide, per Hegi et al. (2005); comparison between different studies is never perfectly like-for-like

A broad-based clinical program is underway across multiple forms of brain cancer



GBM AGILE is the planned pivotal study for paxalisib in glioblastoma

What is GBM AGILE?

- A 'platform study', designed by the leading experts in brain cancer to expedite the approval of new drugs for glioblastoma
- Multiple drugs can be evaluated in parallel, saving time and money; Bayer's Stivarga (regorafenib) is the first drug to participate, and Kazia's paxalisib will be the second
- FDA has provided strong endorsement, saying that positive data from GBM AGILE will be suitable for product registration
- The study is currently active at approximately 28 hospitals in the United States and Canada and recruiting very well; expansion to Europe and China is expected in 1H CY2021
- Cutting-edge 'adaptive design' ensures that the study will only recruit the number of patients needed to reach an answer (up to 200 on paxalisib), avoiding redundancy and ensuring the fastest possible path to market

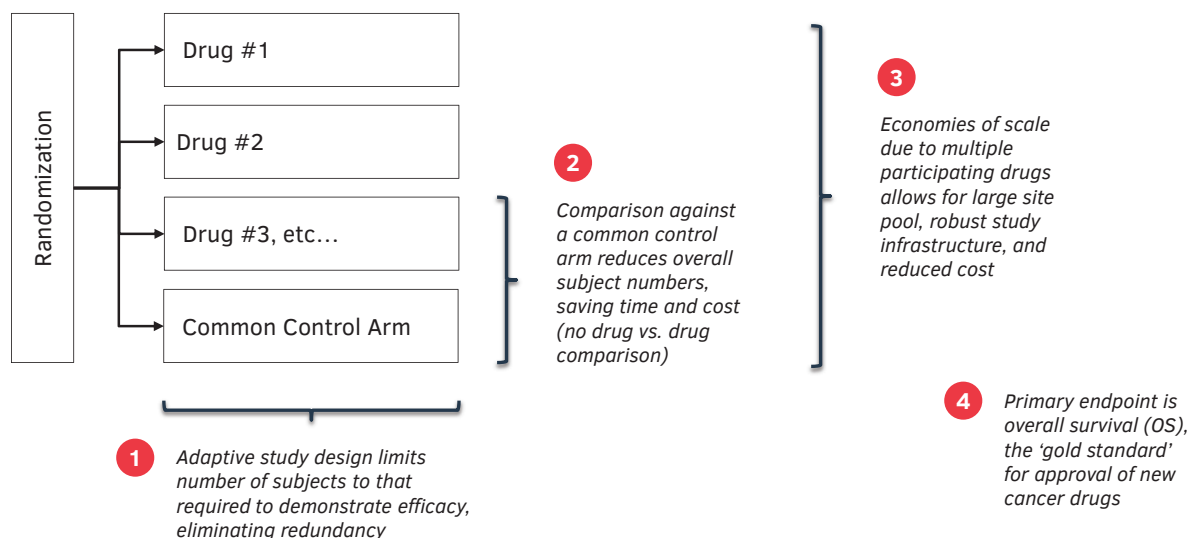
Who is Behind It?

GBM AGILE is sponsored by the Global Coalition for Adaptive Research (GCAR), a not-for-profit entity based in the United States

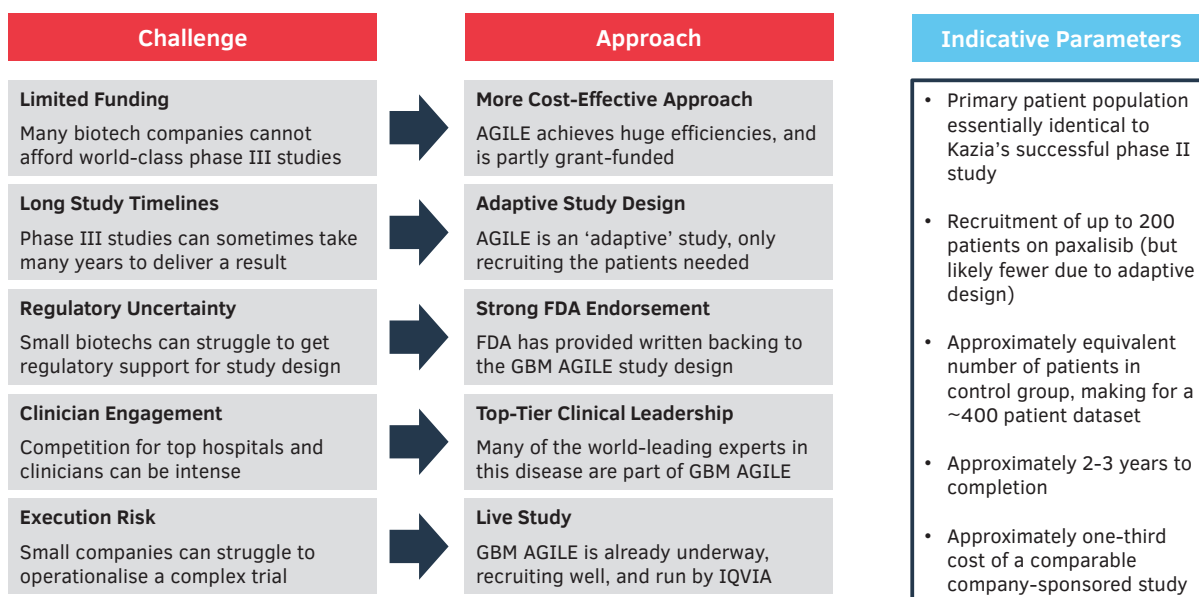
The study's scientific leadership includes world-leading experts in glioblastoma, among them several clinicians who have participated in clinical trials of paxalisib

GBM AGILE has received substantial grant funding, substantially reducing the cost of participation for companies such as Kazia

GBM AGILE is an adaptive multi-drug registrational study, with strong FDA support



GBM AGILE directly addresses the key challenges faced by small biotechs and their investors



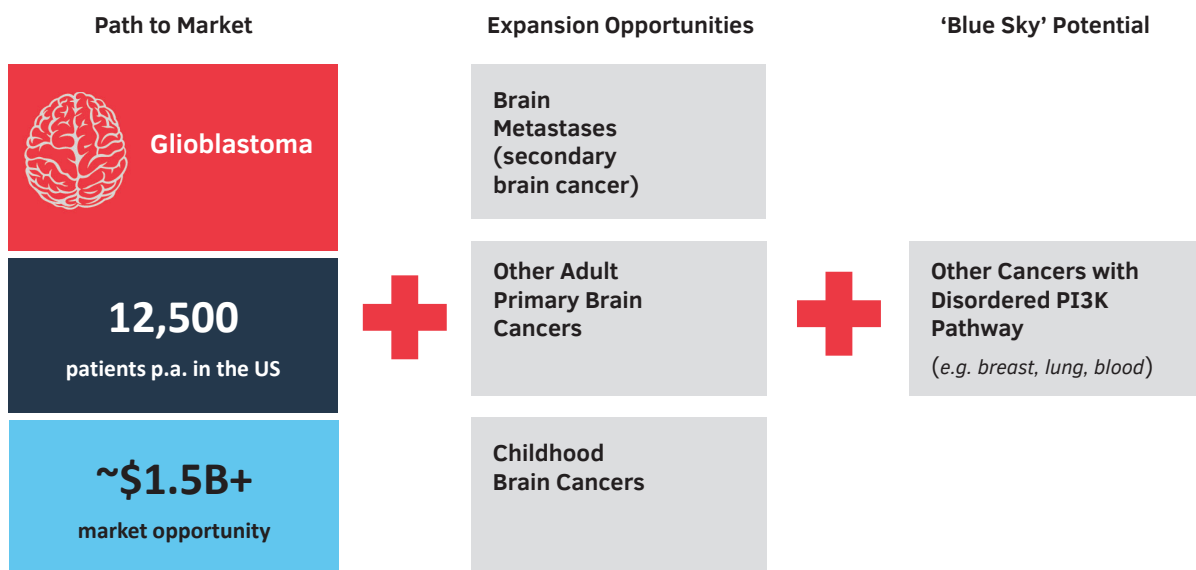
Recent regulatory achievements position paxalisib well as it moves towards commercialisation

	Glioblastoma <i>Most common and most aggressive form of brain cancer</i>	DIPG <i>Highly aggressive childhood brain cancer</i>
Orphan Designation	February 2018	August 2020
Rare Pediatric Disease Designation	<i>(not applicable)</i>	August 2020
Fast Track Designation	August 2020	<i>for future consideration</i>
Breakthrough Designation	<i>for future consideration</i>	<i>for future consideration</i>

Advantages to Kazia

- 'Data exclusivity' provides additional protection against competition beyond granted patents
- Waiver of up to US\$ 6 million in FDA fees at time of filing for marketing authorisations
- Eligibility for orphan grants
- Eligibility for priority review voucher at time of filing for marketing authorisation in DIPG (up to US\$ 350 million in value)
- Enhanced access to FDA, with scope for more frequent and informal meetings
- Ability to submit a 'rolling NDA' in which sections are given to FDA as they are generated, instead of waiting until the end of development

Brain cancer represents a significant commercial opportunity for paxalisib, with limited competition



Positive newsflow has supported revaluation of Kazia as paxalisib moves towards commercialisation



Note: as at 31 August 2020, unless otherwise noted

Market Capitalisation	~AU\$ 90 million										
Shares on Issue	~94 million										
Listing	ASX: KZA NASDAQ: KZIA (1:10 ratio)										
Key Shareholders	<table border="0"> <tr> <td>Hyecorp (SYD family office)</td> <td>17%</td> </tr> <tr> <td>Platinum Asset Mgmt.</td> <td>9%</td> </tr> <tr> <td>Quest Asset Partners</td> <td>3%</td> </tr> <tr> <td>Other Institutional</td> <td>~12%</td> </tr> <tr> <td>Board & Mgmt.</td> <td>2%</td> </tr> </table>	Hyecorp (SYD family office)	17%	Platinum Asset Mgmt.	9%	Quest Asset Partners	3%	Other Institutional	~12%	Board & Mgmt.	2%
Hyecorp (SYD family office)	17%										
Platinum Asset Mgmt.	9%										
Quest Asset Partners	3%										
Other Institutional	~12%										
Board & Mgmt.	2%										
Balance Sheet (as at 30 Jun 20)	<table border="0"> <tr> <td>Current Assets:</td> <td>\$10.7 million</td> </tr> <tr> <td>FY20 Spend:</td> <td>\$12.5 million</td> </tr> <tr> <td>Runway:</td> <td>2Q CY2021</td> </tr> <tr> <td>Efficiency:</td> <td>~80% R&D</td> </tr> </table>	Current Assets:	\$10.7 million	FY20 Spend:	\$12.5 million	Runway:	2Q CY2021	Efficiency:	~80% R&D		
Current Assets:	\$10.7 million										
FY20 Spend:	\$12.5 million										
Runway:	2Q CY2021										
Efficiency:	~80% R&D										

Key Milestones and Anticipated Newsflow

Execution of definitive agreement with GCAR for GBM AGILE pivotal study	October 2020
Further interim data from Kazia phase II glioblastoma trial	November 2020
Initial interim data from phase I DIPG trial at St Jude	November 2020
Initial interim data from phase II BCBM trial at Dana-Farber	Q4 CY2020
Commencement of recruitment to GBM AGILE pivotal study in glioblastoma	Q4 CY2020
Commencement of recruitment to phase II PCNSL study at Dana-Farber	Q1 CY2021
Half-Year Report	Q1 CY2021
Initial interim data from phase II brain mets study by Alliance Group	H1 CY2021
Initial interim data from phase I brain mets study at Sloan-Kettering	H1 CY2021
Final data from Kazia phase II glioblastoma trial	H1 CY2021

Note: all guidance is indicative, and subject to amendment in light of changing conference schedules, operational considerations, etc.

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A strong team brings international experience in big pharma and early-stage biotech

Board



Iain Ross
Chairman

Executive and Board roles in pharma and small biotech



Bryce Carmine
Deputy Chairman

36 years executive experience in Eli Lilly



Steven Coffey
Non-Executive Director

Chartered accountant with extensive governance experience



Dr James Garner
Chief Executive Officer
& Executive Director

Physician / MBA; Extensive drug development experience



Scientific Advisory Board



Professor Sir Murray Brennan
Emeritus Chairman of Cancer Surgery at Memorial Sloan Kettering Hospital, New York



Dr Karen Ferrante
Former Chief Medical Officer at Millennium Pharmaceuticals



Professor Peter Gunning
Head of School of Medical Sciences at University of New South Wales



Professor Alex Matter
Former Global Head of Oncology Research at Novartis



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Appendices

IMPORTANT NOTICE (1/3)

This investor presentation (**Presentation**) has been prepared by Kazia Therapeutics Limited (ACN 063 259 754) (**Kazia** or **Company**) in relation to an accelerated non-renounceable entitlement offer of new fully paid ordinary shares in Kazia (New Shares) under section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by the ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and the ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**Offer**). The Offer is led by Bell Potter Securities Limited (**Lead Manager**).

The following disclaimer applies to this Presentation and you are therefore advised to read it carefully before reading or making any other use of this Presentation or any information contained herein. By accepting this Presentation, you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions and agree to be bound by the limitations contained within it.

Forward-looking statements and forecasts

This Presentation contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking language such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Offer and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of the Company and its subsidiaries (the Group), statements about the industries and the markets in which the Group operates and statements about the future performance of the Group's businesses. Indications of, and guidance or outlook on, financial position or performance, future earnings and distributions are also forward-looking statements.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this Presentation are current as of the date of this Presentation only and are based on assumptions and contingencies, as well as statements about market and industry trends, projections, guidance and estimates, which are subject to change without notice. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of the Group's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the Company's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statements may have been prepared or otherwise. Refer to the investor risks set out in this Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Group.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Several important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in this Presentation. Other risks may materially affect the future performance of the Company and the price of the Company's shares. Additional risks and uncertainties not presently known to management or that management currently believe not to be material may also affect the Company's business. Accordingly, no assurances or guarantees of future performance, profitability, distributions, or returns of capital are given by the Company or any other person. Investors should consider the forward-looking statements contained in this Presentation in light of those risks and disclosures. The forward-looking statements are based on information available to the Company as at the date of this Presentation.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Presentation will actually occur. Actual operations, results, performance, production targets or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except to the extent required by law (including the ASX Listing Rules), the Company disclaims any obligation or undertaking to update forward-looking statements in this Presentation to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

Summary information

The information contained in this Presentation should not be considered to be comprehensive or to comprise all the information that a shareholder or potential investor in Kazia may require in order to determine whether to deal in New Shares. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not take into account the financial situation, investment objectives, tax situation or particular needs of any person and nothing contained in the information in this Presentation constitutes investment, legal, tax or other advice nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Kazia's other periodic and continuous disclosure announcements lodged with ASX, which are available at www.asx.com.au.

IMPORTANT NOTICE (2/3)

Readers or recipients of this Presentation should, before making any decisions in relation to their investment or potential investment in Kazia, consider the appropriateness of the information having regard to their own objectives and financial situation and seek their own professional legal and taxation advice appropriate to their jurisdiction. Kazia is not licensed to provide financial product advice in respect of the New Shares.

To the maximum extent permitted by law, Kazia, the Lead Manager and their respective affiliates' and the related bodies corporate, officers, employees, partners, agents and advisors of each of the foregoing make no representation or warranty (express or implied) as to the currency, accuracy, reliability or completeness of the information in this Presentation and disclaim all responsibility and liability for any expenses, losses, damages or costs incurred by an investor as a result of their participation in the Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

Industry data

Certain market and industry data used in connection with this Presentation, including in relation other companies in Kazia's peer group, may have been obtained from public filings, research, surveys or studies conducted by third parties, including industry or general publications. Neither Kazia nor its advisors or representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

Not an offer

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission (ASIC)). This Presentation is not and should not be considered an offer or an invitation to acquire New Shares or any other financial products.

The Retail Entitlement Offer will be made on the basis of the information contained in the Retail Offer Booklet (**Offer Booklet**) to be prepared for eligible investors in Australia and New Zealand and made available following its lodgement with ASX. Any eligible shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Offer Booklet before deciding whether to apply for New Shares under the Offer. Anyone who wishes to apply for New Shares under the Offer will need to apply in accordance with the instructions contained in the Offer Booklet.

This Presentation is not and should not be considered an offer or an invitation to acquire the New Shares or any other financial products and does not and will not form any part of any contract for the acquisition of the New Shares.

This Presentation does not constitute an invitation or offer of securities for subscription, purchase or sale in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been, and will not be, registered under the US Securities Act of 1933 as amended (the **US Securities Act**) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The distribution of this Presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. Persons who come into possession of this Presentation who are not in Australia should observe any such restrictions. Any non-compliance with such restrictions may contravene applicable securities laws. Please refer to the section of this document headed "International Offer Restrictions" for more information.

Not financial product advice

This Presentation does not constitute financial product or investment advice or any recommendation to acquire New Shares or accounting, legal or tax advice. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Group and the impact that different future outcomes might have on the Group. Information in this Presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of the New Shares. Cooling off rights do not apply to the acquisition of New Shares under the Offer.

Investment risk

An investment in the New Shares in Kazia is subject to investment and other known and unknown risks (including possible loss of income and principal invested), some of which are beyond the control of Kazia. Kazia (and its related bodies corporate or any other person or organisation) does not guarantee any particular rate of return, repayment of capital from Kazia or the performance of an investment in Kazia, nor does it guarantee any particular tax treatment. Investors should have regard to the key risk factors outlined in the Appendices of this Presentation when making their investment decision. Cooling off rights do not apply to the acquisition of New Shares.

IMPORTANT NOTICE (3/3)

Financial information

All references to dollars, cents or \$ in this Presentation are to Australian currency, unless otherwise stated. Unless otherwise noted, all references to financial information are presented as at the full financial year ended 30 June 2020.

Past performance

Past performance, including past share price performance of the Company and pro forma financial information given in this Presentation, is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Group's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of the Company cannot be relied upon as an indicator of (and provides no guidance as to) future performance of the Group including future share price performance. Nothing contained in this Presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Disclaimer

Neither the Lead Manager nor any of its affiliates or related bodies corporate, or any of its directors, officers, partners, employees and agents (**Lead Manager Group**) have caused or authorised the issue, submission, dispatch or provision of this Presentation, nor do they make any recommendation as to whether any potential investor should participate in the offer of New Shares (as defined in this Presentation) referred to in this Presentation. None of Kazia's advisers or the Lead Manager Group makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by them. Further, no member of the Lead Manager Group accepts any fiduciary obligations to or relationship with any investor or potential investor in connection with the offer of New Shares or otherwise.

To the maximum extent permitted by law, the Lead Manager Group expressly disclaims all liabilities in respect of, and makes no representations, regarding, and takes no responsibility for, any part of the Presentation other than references to their names and makes no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of this Presentation or the Offer. Kazia and the Lead manager Group will have no responsibility and disclaim all liability to the maximum extent permitted by law to persons who trade off-market their entitlement to New Shares before they receive their Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Kazia or the Kazia share registry or otherwise.

Kazia and the Lead Manager Group will have no responsibility and disclaim all liability to the maximum extent permitted by the law to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Kazia or the Kazia share registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are entitled to.

Investors acknowledge and agree that:

- Determination of eligibility of investors for the purposes of the institutional and retail components of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Kazia and the Lead Manager Group; and
- Each of Kazia and the Lead Manager Group disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by the law.

The Lead Manager Group may rely on information provided by or on behalf of institutional investors in connection with managing and conducting the Offer without having independently verified that information and the Lead Manager does not assume responsibility for the accuracy or completeness of that information.

Acceptance

By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation you acknowledge and agree to the terms set out in this disclaimer.

RISKS OF THE INVESTMENT

COMPANY RISKS	
Technical Success is Uncertain	Not all drugs at this stage of development reach market. Pivotal clinical studies can demonstrate an unexpected lack of efficacy, or a previously unknown safety concern. Across all drugs in development, the probability of a drug in phase III achieving marketing approval is estimated to be approximately 50%.
Operational Success is Uncertain	Clinical trials are complex projects and sometimes fail to provide the anticipated data. For example, the inability to recruit sufficient numbers of patients, or the practical challenges associated with capturing the necessary data, can cause a study to fail, even though the drug itself may be efficacious.
Commercial Success is Uncertain	Some drugs which successfully achieve marketing authorisation fail to provide an anticipated commercial return on investment. For example, entry of a competitive product, unenthusiastic take-up by patients and clinicians, or an adversarial pricing environment can all undermine the commercial prospects of a pharmaceutical product.
Kazia is Dependent on Protection of its Intellectual Property	Paxalisib is protected by an extensive suite of granted and pending international patents, and also depends on proprietary know-how, trade secrets, and confidential information. Should any of these be compromised, struck down, or otherwise rendered indefensible, the ability of the company to realise value from the asset may be severely compromised.

RISKS OF THE INVESTMENT

COMPANY RISKS	
Kazia is Dependent on Key Personnel	The company depends on being able to attract and retain personnel with specialist expertise, and to ensure continuity of key management. The loss of one or more key members of the management team could material affect Kazia's ability to pursue its business plan and to realise value for investors.
Partnerships and Collaborations are Uncertain	Kazia relies on partners, collaborators, licensees, and vendors to drive forward its drug development and commercialisation efforts. The ability of the company to engage such parties in the future is uncertain, and the performance of current parties, while reasonably ensured by customary legal agreements, is also ultimately uncertain.
Competitive Environment May Change	Despite customary competitor surveillance, it is possible that development of therapeutic products by other companies will materially, and in an unforeseen way, limit the commercial opportunity associated with Kazia's paxalisib, even if it should be successful in clinical trials.
Future Access to Funding is Uncertain	Kazia is a pre-revenue company and, as such, is substantially dependent on investors to fund its operations until it is able to generate sufficient cashflows. Future access to equity capital is uncertain. Should the company be unable to fund its continuing operations, the value of the company may be significantly and adversely affected.

RISKS OF THE INVESTMENT

OFFER RISKS	
Demand May Exceed Availability of Stock	The rights entitlement structure offers eligible existing shareholders the ability to apply for new shares pro rata, and any such applications will be met. The ability of the company to meet applications by new shareholders and by existing shareholders for shares beyond their pro rata entitlement will be contingent upon the availability of shares to place.
Kazia is a Speculative Investment	The company is pre-revenue biotech company, whose value resides primarily in the paxalisib asset. It should be considered a speculative investment, primarily suited to experienced, sophisticated, and professional investors in the context of a suitably balanced and risk-managed portfolio. Investors should take appropriate advice prior to participation.
Future Performance of the Company is Uncertain	The share price of Kazia stock following the transaction cannot be predicted. It is possible that the company may at times trade at a lower price than the Offer Price. No assurances or guarantees as to the future performance of the company's stock can be offered by the Directors or by Bell Potter Securities.
Major Shareholders May Choose to Sell Stock	The company has several substantial shareholders on its register and may have additional substantial shareholders following the Offer. Should any of these investors choose to wholly or partially liquidate their positions in the open market, it may have the effect of suppressive the price of the company's stock.
The Offer May Result in a Shortfall	It is not certain that all entitlements will be taken up by shareholders. The company will endeavour to place any shortfall with new investors, or with current investors who desire to exceed their pro rata entitlement, but this cannot be guaranteed. If the company is unable to place the entire shortfall, the total proceeds may be less than expected. However, the company is of the view that the operational impact in this scenario is likely to be limited.

RISKS OF THE INVESTMENT

MARKET RISKS	
Investment in Public Equities Carries Inherent Risk	There are risks associated with investment in any company listed on the ASX, which include both the financial and operational performance of the company and external factors outside the company's control, such as economic conditions, investor sentiment, changes in the regulatory environment, and other factors.
Liquidity of the Company's Shares is Uncertain	At any given time, there may be fewer or many potential buyers or sellers of Kazia shares on the ASX. This may increase the volatility of the market price of Kazia's shares. It may also affect the prevailing market price at which shareholders are able to sell Kazia shares.
Taxation Treatment is Uncertain, and is the Responsibility of Each Investor	Future changes in taxation law, including changes in interpretation, application, and tax rates, in any of the jurisdictions in which Kazia operates or in which investors are domiciled, may affect how the holding or disposal of shares is treated for certain investors. Each investor should take professional advice as to their individual tax position and risks.
Negative Economic Conditions May Affect the Value of the Company's Securities	Negative conditions or sentiment in equity markets and in the broader economy, including those relating to political uncertainty, pandemic disease, or deteriorating economic parameters, in Australia and internationally, may adversely affect the valuation of listed companies such as Kazia, and may limit their access to future capital.

INTERNATIONAL OFFER RESTRICTIONS

This document does not constitute an offer of new ordinary shares (**New Shares**) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING. This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold in the United States to:

- institutional accredited investors (as defined in Rule 501(a)(1), (2), (3) and (7) under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.



