

ASX RELEASE

8 April 2020

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## **KAZIA RAISES A\$7.2 MILLION FOLLOWING POSITIVE DATA READOUT**

**Sydney, 8 April 2020** – Kazia Therapeutics Limited (ASX: KZA; NASDAQ: KZIA), an Australian oncology-focused biotechnology company, is pleased to announce the completion of a placement of new fully-paid ordinary shares in the Company, primarily to sector-specialist institutional investors in Australia and internationally, at a price of A\$0.40 per share. The placement will raise approximately A\$7.2 million (exclusive of costs).

In addition, Kazia will launch a Share Purchase Plan (SPP) to allow eligible existing holders of KZA shares the opportunity to acquire new shares at the same price as the shares issued under the placement. The SPP will open on 20 April 2020, and necessary documentation will be separately distributed to eligible shareholders in due course.

### **Key Points**

- Investment in the placement has been led by high-quality new and existing institutional investors, encouraged by strongly positive emerging data from paxalisib phase II clinical trial in glioblastoma
- Placement executed at AU\$ 0.40, representing a discount of 2.6% to the 5-day VWAP and an 8.4% discount to the 15-day VWAP, with no warrants
- Opportunity provided to existing shareholders to acquire shares at the same price as the placement via the SPP; all directors intend to participate
- Funds raised will allow the company to deliver three to four additional value inflection points through CY 2020
- Further data expected from phase II study in 2H CY2020, and GBM AGILE pivotal study remains on track to commence recruitment in 2H CY2020

Kazia Chairman, Iain Ross, commented, “Kazia has taken prudent steps to strengthen its balance sheet so that we are well-placed to weather any economic impacts of the ongoing COVID-19 outbreak. Our first priority is to maintain momentum in the paxalisib clinical trial program, which has been generating increasingly exciting data. The funds we have raised

### **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

today ensure that we can continue the important ongoing setup work for our participation in GBM AGILE, our planned pivotal study for registration of paxalisib, and move our other studies forward as they generate further data during CY2020. We have been grateful for the strong support of several existing investors and are delighted to welcome several new investors to the company.”

He added, “the Board has always taken a strong position that, where possible, existing investors should have access to the same opportunities as new institutional investors. To that end, we have today launched a Share Purchase Plan, which provides the ability for existing investors to strengthen their positions at the same price as today’s placement, and thereby to take advantage of future upside in the company. Each of the directors has indicated their intention to participate in the SPP. Any funds raised from the SPP will allow the company to accelerate and enrich the work it is doing. Our last SPP made possible several of the additional exploratory studies in other forms of brain cancer that are now underway.”

The placement follows recent interim data from the ongoing, US-based phase II study of paxalisib in glioblastoma. In the most recent data, patients treated with paxalisib achieved a median overall survival (OS) of 17.7 months. This compares very favourably to the published figure of 12.7 months that is reported for temozolomide, the existing, FDA-approved standard of care treatment for newly-diagnosed patients. Temozolomide achieved peak sales in excess of US\$ 1 billion, indicating the commercial opportunity associated with a new treatment for this disease. Kazia has disclosed its intention to commence a pivotal study for registration, GBM AGILE, during 2H CY 2020.

### **Institutional Placement**

Under the terms of the placement, approximately 18 million new shares have been allocated to institutional, professional, and sophisticated investors at a price of A\$0.40 per share, representing an 2.6% discount to the 5-day VWAP (A\$0.411) and an 8.4% discount to the 15-day VWAP (\$0.4367).

The shares will be issued out of the Company’s existing 25% discretionary placement capacity in accordance with ASX Listing Rule 7.1, relying on recent amendments to ASX Listing Rule 7.1 announced by the ASX on 31 March 2020. Settlement and issuance of shares is expected to occur on 16 April 2020, with quotation expected on 17 April 2020. The placement shares will rank equally with the Company's existing shares on issue. The placement is not underwritten.

The placement has been led by Bell Potter Securities Limited.

### **Share Purchase Plan (SPP)**

Following settlement of the placement, the Company will offer an SPP to existing eligible shareholders.

Under the SPP, eligible shareholders of ASX securities, listed on the Kazia register at 7:00 pm (Sydney time) on the record date of Tuesday 7 April 2020, will be offered the opportunity to apply for up to A\$30,000 of fully-paid ordinary shares in Kazia without incurring brokerage or other transaction costs, subject to a minimum application of \$3,000. This will be subject to certain eligibility criteria and other terms and conditions of the SPP which will be set out in the SPP booklet and dispatched to eligible shareholders.

The indicative timetable is as follows:-

Record Date for Eligible Shareholders	Tuesday 7 April 2020
SPP Opens	Tuesday 20 April 2020
SPP Closes	Tuesday 1 May 2020
SPP Shares Issued	Tuesday 8 May 2020
SPP Shares Commence Trading on ASX	Thursday 12 May 2020

The issue price of shares under the SPP will be equal to the Placement price of A\$0.40. Shares issued under the SPP will rank equally with the Company's existing shares on issue. The SPP will not be underwritten.

All Directors intend to participate in the SPP.

### **Investor Conference Call**

We would like to remind investors of the conference call to be held on Thursday 9 April 2020 at 8:30am, Sydney time (AEDT), which is 3:30pm on Wednesday 8 April 2020 in San Francisco (PST), 6:30pm on Wednesday 8 April 2020 in New York (EST), and 6:30am on Thursday 9 April 2020 in Hong Kong SAR (HKT) to allow for further discussion of these results.

Participants will need to **pre-register** for the call via the following link:

<https://s1.c-conf.com/DiamondPass/10005482b-invite.html>

Click the 'Register Now' button and follow the prompts to complete pre-registration. You will then receive a calendar invite with dial in numbers, a passcode and a PIN to dial into the conference call.

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## **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 multiforme, 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 in April 2020, and further data is expected in 2H 2020. Paxalisib was granted orphan designation for glioblastoma by the US FDA in February 2018.

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 is currently undergoing a phase I clinical trial in Australia and the United States. Interim data was presented at the ESMO Congress in September 2019, and the study remains ongoing. 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.