

ASX RELEASE

28 October 2019

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KAZIA RAISES A\$4.0 MILLION TO PROGRESS R&D PROGRAMS

Sydney, 28 October 2019 – Kazia Therapeutics Limited (ASX: KZA; NASDAQ: KZIA), an Australian oncology-focused biotechnology company, is pleased to announce the completion of a placement of ten million new fully paid ordinary shares in the Company (New Shares) to institutional, professional, and sophisticated investors in Australia and internationally, at a price of A\$0.40 per New Share (Institutional Placement). The Institutional Placement will raise A\$4.0 million (exclusive of costs).

Key Points

- Oversubscribed Institutional Placement led by multiple high-quality institutional investors in Australia and Asia
- Company has capitalised on recent appreciation in share price, driven by emerging data from broad-based clinical trial programs, and has substantially strengthened balance sheet while minimizing dilution of existing investors
- Institutional Placement to raise \$4.0 million (exclusive of costs), priced at a discount of 14% to the last close and with no warrants, has been executed at a premium to previous round in 2018
- New Shares will be issued under the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A
- Funds raised secure Company's ability to further progress GDC-0084 and Cantrixil programs through high-value data readouts during 2020, as well as to provide working capital to the Company

Kazia Chairman, Iain Ross, commented, "we have been encouraged by strong interest in the Company from professional and institutional investors, and the Board has considered it appropriate to take the opportunity to strengthen the Company's balance sheet. It is testament to the Company's growing credibility and prospects that this round has been performed at a premium to our last round, and without the need for warrants, convertible notes, or similar arrangements, and was oversubscribed. The proceeds of the placement will allow us to complete the ongoing phase I clinical study of Cantrixil and the ongoing phase II study of GDC-0084, as well as to make very significant progress in the four collaborative studies of GDC-0084."

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

Institutional Placement

Under the terms of the Institutional Placement, 10 million New Shares have been allocated to institutional, professional, and sophisticated investors at a price of A\$0.40 per New Share, representing a 14% discount to the last closing price on 23 October 2019 (A\$0.465).

New Shares to be issued under the Institutional Placement will be issued without shareholder approval under the Company's existing placement capacity under ASX Listing Rules 7.1 (9,250,000 shares) and 7.1A (750,000 shares). Settlement is expected to occur on or around 31 October 2019 and the New Shares issued under the Institutional Placement are expected to be allotted and commence trading on ASX on 1 November 2019. The New Shares will rank equally with the Company's existing shares on issue.

The Institutional Placement was led by Bell Potter Securities Limited.

The Company is pleased to provide the following information required under ASX Listing Rule 3.10.5A in respect of the shares to be issued under the Company's 10% Placement Capacity under Listing Rule 7.1A:

- (a) The dilution to existing shareholders as a result of the issue of 750,000 shares under Listing Rule 7.1A is 1.04%
- (b) The 750,000 shares to be issued under Listing Rule 7.1A will be issued to sophisticated and professional investors as it is considered to be the most efficient and expedient method for raising the funds required to meet the Company's objectives.
- (c) The Placement was not underwritten.
- (d) The Company will pay fees in connection with the placement of shares under Listing Rule 7.1A of approximately \$20,000.

The Institutional Placement occurs in the context of considerable clinical development activity across both of the Company's oncology assets. Kazia expects to present interim clinical data from its ongoing phase II study of GDC-0084 in glioblastoma at the upcoming Society for Neuro-Oncology (SNO) annual meeting in Phoenix, AZ on 20-24 November 2019. Further data from this and other ongoing studies is anticipated early in calendar 2020.

[ENDS]

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 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, GDC-0084 entered a phase II clinical trial in 2018. Initial safety data was released in May 2019, and further data is expected in 2H 2019. GDC-0084 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.

Summary Information

The following disclaimer applies to this announcement and any information contained in it (the **Information**). The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Kazia's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any Information contained in this announcement. In accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.

Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Kazia's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Kazia, which could cause actual results to differ materially from such statements. Kazia makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

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