

ASX RELEASE

20 July 2018

KAZIA FILES F-3 SHELF REGISTRATION STATEMENT WITH SEC

Sydney, 20 July 2018 – Kazia Therapeutics Limited (ASX: KZA; NASDAQ: KZIA), an Australian oncology-focused biotechnology company, is pleased to announce that overnight it has filed a Shelf Registration Statement on Form F-3 with the US Securities and Exchange Commission (the ‘SEC’). Once declared effective by the SEC, after an initial review, the registration statement will allow the Company to issue up to US\$100 million of various types of securities, including ordinary shares and/or warrants, from time to time over a period of three years. Any ordinary shares issued will trade in the form of American Depository Shares which currently trade on NASDAQ under the symbol KZIA.

In the United States, offers of securities under Shelf Registration Statements such as the Form F-3 are customary practice as they allow companies to undergo the SEC review process before commencing any offer of securities. Using a Shelf Registration Statement means the Company can come to market more quickly and efficiently than otherwise. The Company has no immediate plans to issue securities under the registration statement, and indeed may never issue any shares under this statement. If and when the Company chooses to issue shares under this statement, then the Company chooses the timing of such issue and the number of shares to be issued.

James Garner, CEO of the Company, said “sound capital management is about being prepared. The shelf registration is a common feature of capital management programs for dual-listed companies like Kazia and is a standard industry practice. It provides very efficient access to US capital markets to facilitate our ongoing development and growth, and allows us to be ready to respond swiftly to investor interest when we need to.”

After the shelf registration becomes effective, the Company may offer and sell such securities from time to time and through one or more methods of distribution, subject to market conditions and the Company’s capital needs. The terms of any offering under the shelf registration statement will be established at the time of such offering and will be described in a prospectus supplement filed with the SEC prior to completion of the offering.

These securities may not be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective. This announcement shall not constitute an offer to sell or the solicitation of any offer to buy these securities, nor may there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction. Any offering of the securities covered under the shelf registration

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

statement will be made solely by means of a prospectus and an accompanying prospectus supplement relating to that offer.

The Company has also filed with the SEC on Form 6-K, financial information pursuant to the SEC Financial Statement Requirements Regulations in respect of the shelf registration.

Copies of the Forms F-3 and 6-K are attached

[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. Licensed from Genentech in late 2016, GDC-0084 entered a phase II clinical trial in March 2018. Initial data is expected in early calendar 2019.

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. Initial data was presented in June 2018 and the study remains ongoing.

For more information, please visit www.kaziatherapeutics.com.



As filed with the Securities and Exchange Commission on July 19, 2018.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Kazia Therapeutics Limited

(Exact name of registrant as specified in its charter)

Not Applicable

(Translation of registrant's name into English)

Australia
(State or other jurisdiction of
incorporation or organization)

2834
(Primary Standard Industrial
Classification Code Number)

Not Applicable
(I.R.S. Employer
Identification Number)

Level 24, Three International Towers
300 Barangaroo Avenue
Sydney, NSW, 2000, Australia
Tel: +61 2 9472 4101

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

C T Corporation System
111 Eighth Avenue
New York, New York 10011, USA
Tel: +1 (212) 894-8940

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: **From time to time after the effective date of this Registration Statement as determined in light of market conditions.**

If only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(2)	Proposed maximum aggregate price per unit(2)	Proposed maximum aggregate offering price(2)(3)	Amount of registration fee(4)
Ordinary shares, no par value per share, in the form of American Depositary Shares (1)				
Warrants				
Total			\$100,000,000	\$12,450

- (1) American Depositary Shares (as evidenced by American Depositary Receipts, each representing 10 ordinary shares) have been registered on a separate registration statement on Form F-6 as amended and filed on June 6, 2016 (File No. 333-128681).
- (2) Not specified as to each class of securities to be registered pursuant to General Instruction II.C. of Form F-3.
- (3) The registrant is hereby registering an indeterminate number of securities of each identified class as may from time to time be offered at unspecified prices or upon conversion, exchange or exercise of securities registered hereunder to the extent such securities are, by their terms, exercisable for, such securities. The maximum aggregate offering price of all securities covered by this Registration Statement will not exceed \$100,000,000. The Registrant has estimated the proposed maximum aggregate offering price solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the "Securities Act"). The securities registered hereunder include securities that may be purchased by underwriters to cover over-allotments, if any.
- (4) Calculated pursuant to Rule 457(o) under the Securities Act.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.



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The information in this prospectus is not complete and may be changed. We cannot sell these securities until the registration statement that we have filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where their offer or sale is not permitted.

Subject to Completion, dated July 19, 2018.

PROSPECTUS



US\$100,000,000

**American Depositary Shares representing Ordinary Shares
Warrants**

We may offer the securities described in this prospectus from time to time in amounts, at prices and on terms to be determined at or prior to the time of the offering. We refer to the American Depositary Shares, or ADSs, representing ordinary shares and the warrants as the “Securities”. This prospectus describes the general manner in which the Securities may be offered using this prospectus. We will provide specific terms and offering prices of these Securities in supplements to this prospectus. Any supplement to this prospectus may also add, update or change information contained in this prospectus. You should read this prospectus and the accompanying prospectus supplements carefully before you invest in the Securities.

We may offer the Securities through underwriting syndicates managed or co-managed by one or more underwriters or dealers, through agents or directly to investors (including our shareholders), on a continuous or delayed basis. The supplement to this prospectus for each offering of Securities will describe in detail the plan of distribution for that offering.

Our ADSs are listed on The NASDAQ Capital Market under the symbol “KZIA”. Our ordinary shares are listed on the Australian Securities Exchange under the symbol “KZA.”

So long as the aggregate market value worldwide of our outstanding common equity held by non-affiliates (“public float”) is less than US\$75 million, the aggregate market value of securities sold by us under this prospectus during the period of 12 calendar months immediately preceding the date of sale may be no more than one-third of the public float. Our public float, as calculated in accordance with General Instruction I.B.5 of Form F-3, was approximately US\$13.9 million as of July 18, 2018.

Investing in the Securities involves risks. See “[Risk Factors](#)” beginning on page 6 of this prospectus and under similar headings in any amendment or supplement to this prospectus or as updated by any subsequent filing with the Securities and Exchange Commission that is incorporated by reference herein.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is **2018.**



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You should rely only on the information provided by this prospectus, any prospectus supplement and any information incorporated by reference. We have not authorized anyone else to provide you with different or additional information or to make any representations other than those contained in or incorporated by reference to this prospectus or any accompanying prospectus supplement. We have not taken any action to permit a public offering of the securities described in this prospectus outside the United States or to permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must observe any restrictions relating to the offering of the securities described in this prospectus and the distribution of this prospectus outside of the United States. This prospectus is not an offer to sell, or solicitation of an offer to buy, any securities in any circumstances under which the offer of solicitation is unlawful.



ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form F-3 that we filed with the Securities and Exchange Commission, or the SEC, using a “shelf” registration process. Under this process, we may, from time to time, sell any combination of the Securities in one or more offerings. The Securities to be sold pursuant to this registration statement may have a total aggregate value of up to US\$100,000,000. This prospectus does not contain all of the information included in the registration statement. You should refer to the registration statement including the exhibits before making a decision to purchase any securities described in this prospectus.

The information in this prospectus is accurate as of the date on the front cover of this prospectus. Neither the delivery of this prospectus nor the sale of any securities described in this prospectus means that information contained in this prospectus is correct after the date of this prospectus or as of any other date. We will provide a prospectus supplement each time we sell any securities described in this prospectus and you should read both this prospectus and the prospectus supplement, together with any information incorporated by reference, before making an investment decision.

A prospectus supplement may provide updated, changed or additional information to the information contained in this prospectus. You should rely on the information contained in the prospectus supplement to the extent there is any conflict between the information contained in this prospectus and the prospectus supplement. Any statement in a prospectus supplement or any document incorporated by reference with a later date will supersede or modify an earlier statement in any document with an earlier date. Any information incorporated by reference is only accurate as of the date of the document incorporated by reference.

You may access the registration statement, exhibits and other reports we file with the SEC on its website. More information regarding how you can access this and other information is included under the heading “Where You Can Find Additional Information.”

Unless otherwise indicated or the context implies otherwise:

- “we,” “us,” “our” or “Kazia” refers to Kazia Therapeutics Limited and its subsidiaries;
- “shares” or “ordinary shares” refers to our ordinary shares;
- “ADSs” refers to American Depositary Shares, each of which represents 10 ordinary shares; and
- “ADRs” refers to American Depositary Receipts, which evidence the ADSs.

Unless otherwise noted, all other financial and other data related to Kazia in this prospectus is presented in Australian dollars. All references to “A\$” in this prospectus mean Australian dollars. All references to “\$” or “US\$” in this prospectus mean U.S. dollars unless the context otherwise requires.

Our fiscal year end is June 30. References to a particular “fiscal year” are to our fiscal year ended June 30 of that calendar year.

Solely for convenience, trademarks and trade names referred to in this prospectus appear without the “®” or “™” symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this prospectus is the property of its respective holder.



CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, any prospectus supplement, any free writing prospectus, and the documents incorporated by reference may contain forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. All statements, other than statements of historical fact included in this prospectus, any prospectus supplement, any free writing prospectus, or the documents incorporated by reference, regarding our strategy, future operations, financial position, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this prospectus, any prospectus supplement, any free writing prospectus, or the documents incorporated by reference, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “may,” “continue,” “predict,” “potential,” “project,” or the negative of these terms, and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, any prospectus supplement, any free writing prospectus, and the documents incorporated by reference, we caution you that these statements are based on a combination of facts and important factors currently known by us and our expectations of the future, about which we cannot be certain.

Forward-looking statements may include statements about:

- our plans to develop and potentially commercialize our product candidates, including contractual arrangements with third parties;
- the timing of the initiation and completion of preclinical studies and clinical trials;
- the timing of patient enrollment and dosing in any future clinical trials;
- the timing of the availability of data from clinical trials;
- expectations about the successful completion of clinical trials;
- the timing of expected regulatory filings;
- expectations about approval by regulatory authorities of our drug candidates;
- the clinical utility and potential attributes and benefits of our product candidates, including the potential duration of treatment effects;
- potential licenses of intellectual property and collaborations;
- expectations regarding expenses, ongoing losses, future revenue and capital needs;
- our use of proceeds from any offering made pursuant to this prospectus;
- the length of time over which we expect our cash and cash equivalents to be sufficient; and
- our intellectual property position and the duration of our patent portfolio.

All forward-looking statements speak only as of the date of this prospectus or, in the case of any prospectus supplement, any free writing prospectus, or any document incorporated by reference, that prospectus supplement, free writing prospectus or document. You should not place undue reliance on these forward-looking statements. Although we believe that our plans, objectives, expectations and intentions reflected in or suggested by the forward-looking statements we make in this prospectus are reasonable, we can give no assurance that these plans, objectives, expectations or intentions will be achieved. Important factors that could cause our actual results to differ materially from our expectations are disclosed and described under “Risk Factors”, elsewhere in this prospectus, any prospectus supplement, any free writing prospectus and in filings incorporated by reference.



The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.



PROSPECTUS SUMMARY

This summary provides a brief overview of information contained elsewhere in this prospectus and incorporated by reference. This summary does not contain all of the information that you should consider before investing in the Securities. You should read the entire prospectus carefully before making an investment decision, including the information presented under the headings “Risk Factors,” “Cautionary Note Regarding Forward-Looking Statements” and all information incorporated by reference, including our Annual Report on Form 20-F and the accompanying historical consolidated financial statements and the related notes to those financial statements.

Overview

We are an oncology-focused biotechnology company with a product pipeline that includes two drug development product candidates in clinical trials. Our lead product candidate is GDC-0084 and is being developed as a potential therapy to treat glioblastoma multiforme, which is the most common and most aggressive form of primary brain tumor in adults. We are also developing Cantrixil (TRX-E-002-1), which is a potential therapy to treat ovarian cancer.

Recent developments

GDC-0084

In February 2018, the U.S. Food and Drug Administration, the FDA, designated GDC-0084 as an orphan drug. Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a product intended to treat a rare disease or condition or if there is no reasonable expectation that the cost of developing and making a drug available in the United States for this type of disease or condition will be recovered from sales of the product candidate. Upon receipt of marketing approval for the indication for which an orphan drug has been designated, a product is entitled to a period of marketing exclusivity, which precludes the FDA from approving another marketing application for the same drug for seven years. Designation as an orphan drug may also provide opportunities from the FDA for grant funding, protocol assistance and financial assistance such as a waiver of New Drug Application fees.

In March 2018, GDC-0084 entered a phase II clinical trial in the United States. The initial focus is on dose optimization in the treatment of newly-diagnosed patients with glioblastoma multiforme. The final goal is to seek definitive evidence of clinical efficacy. The initial dose optimization component is likely to recruit between 6 - 24 patients and is expected to be followed by a dose expansion cohort of approximately 20 patients to provide further information about the drug in the target population. We expect to receive initial results in early 2019. A definitive randomized controlled study is expected to include approximately 224 patients and compare GDC-0084 to temozolomide, the existing standard of care for this patient population.

Cantrixil (TRX-E-002-1)

Cantrixil is undergoing a phase I clinical trial at five trial sites in Australia and the United States. The study is in the “dose escalation” stage, which primarily aims to understand the safety and tolerability of a drug and to establish a “maximum tolerated dose” for further investigation. The trial is structured in part A (dose escalation phase), which seeks to test the safety and maximum tolerated dose, and part B (dose expansion cohort), which seeks to explore the efficacy of the product. Part A is expected to enroll between 3 and 42 patients while part B is expected to enroll 12 patients.

In June 2018, Kazia released preliminary data on phase I regarding part A. Overall, the drug has encountered few dose-limiting toxicities. As a result, the trial has progressed with a number of patient enrolled towards the lower margin of the forecast range, in line with the trial protocol. We expect part A to terminate in the third calendar quarter of 2018. Part B is expected to commence immediately after part A terminates, and is projected to recruit an additional 12 patients at the maximum tolerated dose determined in Part A.



Corporate information

Kazia Therapeutics Limited (formerly Novogen Limited) was incorporated in Australia in 1994.

Our headquarters are located at Level 24, Three International Towers, 300 Barangaroo Avenue, Sydney, NSW, 2000, Australia. Our corporate email address is info@kaziatherapeutics.com. Our website address is www.kaziatherapeutics.com. Information on our website and the websites linked to it do not constitute part of this prospectus or the registration statement to which this prospectus forms a part.



RISK FACTORS

Investment in the Securities involves significant risks. You should carefully consider the risks described under “Risk Factors” in our Annual Report on Form 20-F for the year ended June 30, 2017, as filed with the SEC, and all other information contained in, or incorporated by reference in, this prospectus and any prospectus supplement or related free writing prospectus before you decide to invest in the Securities. If any such risks actually occurs, then our business, prospects, financial condition, results of operations and cash flow could be materially and adversely affected, thus potentially causing the trading price of any or all of our securities to decline and you could lose all or part of your investment.

Such risks are not exhaustive. We may face additional risks that are presently unknown to us or that we believe to be immaterial as of the date of this prospectus. Known and unknown risks and uncertainties may significantly impact and impair our business operations.

In addition to the risks described under “Risk Factors” in our Annual Report on Form 20-F for the year ended June 30, 2017, as filed with the SEC, please note the following:

We may not be able to obtain orphan drug exclusivity, where relevant, in all markets for our product candidates.

Of our current pipeline product candidates, GDC-0084 is designed for treatment of an indication that would likely qualify for rare disease status. Regulatory authorities in some jurisdictions, including the United States, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a product intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States. The FDA may also designate a product as an orphan drug if it is intended to treat a disease or condition of more than 200,000 individuals in the United States and there is no reasonable expectation that the cost of developing and making a drug or biological product available in the United States for this type of disease or condition will be recovered from sales of the product candidate.

Generally, if a product with an orphan drug designation subsequently receives the first marketing approval for the indication for which it has such designation, the product is entitled to a period of marketing exclusivity, which precludes the FDA from approving another marketing application for the same drug for such indication for that time period. The applicable period is seven years in the United States. Orphan drug exclusivity may be lost if the FDA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition.

In February 2018, the FDA granted orphan drug designation status in the United States for GDC-0084. Even if we obtain orphan drug exclusivity for additional products in the United States or other jurisdictions, that exclusivity may not effectively protect the product from competition because different drugs can be approved for the same condition, and the same drug could be approved for a different condition. Moreover, even after an orphan drug is approved, the FDA can subsequently approve the same drug, made by a competitor, for the same condition if the FDA concludes that the competitive product is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care.



USE OF PROCEEDS

Unless otherwise indicated in an accompanying prospectus supplement, we intend to use the net proceeds from the sale of the Securities for general corporate purposes and to advance our product candidates. We may also use a portion of the net proceeds towards the possible acquisition of, or investment in, complementary technologies and businesses. Proceeds may also be used at our discretion for specific purposes described in any prospectus supplement. Pending these uses, we intend to invest the net proceeds primarily in bank deposits.

As of the date of this prospectus, we cannot specify with certainty all of the particular uses for the net proceeds we may have upon completion of an offering or offerings. Accordingly, we will retain broad discretion over the use of these proceeds.

CAPITALIZATION

A prospectus supplement or report on Form 6-K incorporated by reference into the registration statement of which this prospectus forms a part will include information on our consolidated capitalization.



PRICE HISTORY OF AMERICAN DEPOSITARY SHARES AND ORDINARY SHARES

NASDAQ Capital Market

Our ordinary shares in the form of ADSs have been trading on The NASDAQ Capital Market under the symbol “KZIA”. The following table sets forth the high and low market prices for our ADSs for the periods indicated as reported on The NASDAQ Capital Market. All prices are in U.S. dollars.

	<u>US\$ High</u>	<u>US\$ Low</u>
<i>ADSs</i>		
Fiscal year ended		
June 30, 2014	\$ 2.74 ⁽¹⁾	\$ 1.37 ⁽¹⁾
June 30, 2015	\$ 3.80 ⁽¹⁾	\$ 0.60 ⁽¹⁾
June 30, 2016	\$ 2.14 ⁽¹⁾	\$ 0.72 ⁽¹⁾
June 30, 2017	\$ 0.98 ⁽¹⁾	\$ 0.28 ⁽¹⁾
June 30, 2018	\$ 6.68 ⁽¹⁾	\$ 0.80 ⁽¹⁾
Fiscal year ended June 30, 2017		
First quarter (ended September 30, 2016)	\$ 0.98 ⁽¹⁾	\$ 0.69 ⁽¹⁾
Second quarter (ended December 31, 2016)	\$ 0.78 ⁽¹⁾	\$ 0.56 ⁽¹⁾
Third quarter (ended March 31, 2017)	\$ 0.76 ⁽¹⁾	\$ 0.51 ⁽¹⁾
Fourth quarter (ended June 30, 2017)	\$ 0.58 ⁽¹⁾	\$ 0.28 ⁽¹⁾
Fiscal year ending June 30, 2018		
First quarter (ended September 30, 2017)	\$ 3.82 ⁽¹⁾	\$ 0.32 ⁽¹⁾
Second quarter (ended December 31, 2017)	\$ 3.98 ⁽¹⁾	\$ 1.63 ⁽¹⁾
Third quarter (ended March 31, 2018)	\$ 6.68	\$ 2.82
Fourth quarter (ended June 30, 2018)	\$ 6.19	\$ 2.73
Recent months		
January 2018	\$ 6.57	\$ 2.82
February 2018	\$ 5.76	\$ 3.84
March 2018	\$ 6.68	\$ 4.86
April 2018	\$ 6.19	\$ 5.00
May 2018	\$ 5.65	\$ 4.81
June 2018	\$ 5.40	\$ 2.73

Australian Securities Exchange

The following table presents, for the periods indicated, the high and low market prices for our ordinary shares reported on the ASX, under the symbol KZA. All prices are in Australian dollars.

	<u>A\$ High</u>	<u>A\$ Low</u>
<i>Annual:</i>		
Fiscal year ended June 30,		
2014	3.91 ⁽²⁾	1.44 ⁽²⁾
2015	4.46 ⁽²⁾	0.80 ⁽²⁾
2016	2.95 ⁽²⁾	0.95 ⁽²⁾
2017	1.20 ⁽²⁾	0.37 ⁽²⁾
2018	0.80 ⁽²⁾	0.34 ⁽²⁾

¹ Takes into account (i) the increase in the ratio of ADSs to ordinary shares from 1:25 to 1:100 effected in July 2017 and/or (ii) the decrease in the ratio of ADSs to ordinary shares from 1:100 to 1:10 effected in November 2017 following a consolidation of our ordinary shares.



Quarterly:

Fiscal year ended June 30, 2017

First quarter (ended September 30, 2016)	1.20 ⁽²⁾	0.92 ⁽²⁾
Second quarter (ended December 31, 2016)	1.05 ⁽²⁾	0.79 ⁽²⁾
Third quarter (ended March 31, 2017)	1.05 ⁽²⁾	0.67 ⁽²⁾
Fourth quarter (ended June 30, 2017)	0.69 ⁽²⁾	0.37 ⁽²⁾

Fiscal year ended June 30, 2018

First quarter (ended September 30, 2017)	0.53 ⁽²⁾	0.37 ⁽²⁾
Second quarter (ended December 31, 2017)	0.54 ⁽²⁾	0.34 ⁽²⁾
Third quarter (ended March 31, 2018)	0.80	0.36
Fourth quarter (ended June 30, 2018)	0.79	0.41

Most Recent Six Months:

January 2018	0.75	0.36
February 2018	0.71	0.47
March 2018	0.80	0.61
April 2018	0.79	0.66
May 2018	0.76	0.65
June 2018	0.68	0.41

² Takes into account the consolidation of our ordinary shares effected in November 2017 and pursuant to which every 10 pre-consolidation shares were consolidated into 1 post-consolidation share.



DESCRIPTION OF SHARE CAPITAL

General

Kazia is a public corporation registered under the Australian Corporations Act. Our corporate affairs are principally governed by our Constitution, the Corporations Act and the ASX Listing Rules. Our ordinary shares trade on the ASX and our ADSs trade on The NASDAQ Capital Market.

The Australian law applicable to our Constitution is not significantly different than a U.S. company's charter documents except we do not have a limit on our authorized share capital and the concept of par value is not recognized under Australian law as further discussed under the section titled "Our Constitution" below.

Subject to restrictions on the issue of securities under our Constitution, the Corporations Act, the ASX Listing Rules and any other applicable law, we may at any time issue shares and grant options or warrants on any terms, with the rights and restrictions and for the consideration that our board of directors determine.

The rights and restrictions attaching to ordinary shares are derived through a combination of our Constitution, the common law applicable to Australia, the ASX Listing Rules, the Corporations Act and other applicable law. A general summary of some of the rights and restrictions attaching to our ordinary shares are summarized below. Each ordinary shareholder is entitled to receive notice of, and to be present, vote and speak at, general meetings.

Changes to Our Share Capital

In November 2017, we consolidated our outstanding securities on that basis that every 10 pre-consolidation securities would be consolidated into 1 post-consolidation security.

As of June 30, 2018, we had (i) 48,409,621 ordinary shares outstanding and (ii) 7,950,833 outstanding options and warrants to purchase an aggregate of 7,950,833 ordinary shares.

Since July 1, 2015, the following changes have been made to our ordinary share capital (without giving effect to the share consolidation):

1. On July 24, 2015, we issued 1,000 ordinary shares at a price of A\$0.40 per share and 1,000,000 ordinary shares at a price of A\$0.15 per share as a result of the exercise of previously issued options to investors.
2. On October 8, 2015, we issued 109,309 ordinary shares at a price of A\$0.125 per share as a result of the exercise of previously issued options to investors.
3. On November 23 and 24, 2015, we issued, respectively, 1,990,545 ordinary shares at a price of A\$0.125 per share and 3,514,370 ordinary shares at a price of A\$0.125 per share as a result of the exercise of previously issued options to investors.
4. On December 9, 2015, we issued 2,293 ordinary shares at a price of A\$0.30 per share as a result of the exercise of previously issued options to investors.
5. On September 5, 2016, we issued 400,000 ordinary shares in consideration of services rendered by members of our Scientific Advisory Board.
6. On September 14, 2016, we issued 20,000,000 ordinary shares at market price following the conversion convertible notes having a face value of A\$500,000.
7. On October 31, 2016, we issued 17,153,932 ordinary shares as partial consideration for the acquisition of Glioblast Pty Limited (and effectively GDC-0084).



8. On November 1, 2016, we issued 16,000,000 ordinary shares following the conversion of convertible notes.
9. On November 30, 2017, we issued 80,000 ordinary shares in consideration of services rendered by members of our Scientific Advisory Board.

In addition, we issued the following ordinary shares upon exercise of options by our employees and Directors over the past three fiscal years:

- no ordinary shares in fiscal 2018;
- no ordinary shares in fiscal 2017; and
- 38,400 ordinary shares in fiscal 2016.

Our Constitution

Our Constitution is similar in nature to the bylaws of a U.S. corporation. It does not provide for or prescribe any specific objectives or purposes of Kazia. Our Constitution is subject to the terms of the ASX Listing Rules and the Corporations Act. It may be amended or repealed and replaced by special resolution of shareholders, which is a resolution passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.

Under Australian law, a company has the legal capacity and powers of an individual both within and outside Australia. The material provisions of our Constitution are summarized below. This summary is not intended to be complete nor to constitute a definitive statement of the rights and liabilities of our shareholders. Our Constitution is incorporated by reference as an exhibit to the registration statement, of which this prospectus forms a part.

Interested Directors

A director may not vote in respect of any contract or arrangement in which the director has, directly or indirectly, any material interest according to our Constitution. However, that director may execute or otherwise act in respect of that contract or arrangement notwithstanding any material personal interest.

Unless a relevant exception applies, the Corporations Act requires our directors at a board meeting to provide disclosure of certain interests or conflicts of interests and prohibits directors from voting on matters in which they have a material personal interest. In addition, the Corporations Act and the ASX Listing Rules require shareholder approval of certain benefits to or transactions with our directors, subject to exceptions.

Directors' compensation

Our directors are paid fees for their services as directors (but excluding any remuneration payable to a director under any executive services contract with us or one of our related bodies corporate) which is determined in a general meeting of shareholders. The aggregate, fixed sum for directors' fees is to be divided among the directors in such proportion as the directors themselves agree and in accordance with our Constitution. The maximum aggregate fixed sum fees for directors may not be increased except at a general meeting of shareholders and the particulars of the proposed increase are required to have been provided to shareholders in the notice convening the meeting. In addition, executive directors may be paid remuneration as employees of Kazia.

Fees payable to our non-executive directors must be by way of a fixed sum and not by way of a commission on or a percentage of profits or operating revenue. Remuneration paid to our executive directors must also not include a commission or percentage of operating revenue.

Pursuant to our Constitution, any director who performs services that in the opinion of our board of directors, are outside the scope of the ordinary duties of a director may be paid extra remuneration, which is determined by our board of directors.



In addition to other remuneration provided in our Constitution, all of our directors are entitled to be paid by us for reasonable travel accommodation and other expenses incurred by the directors in attending general meetings, board meetings, committee meetings or otherwise in connection with our business.

Borrowing powers exercisable by Directors

Pursuant to our Constitution, the management and control of our business affairs are vested in our board of directors. Our board of directors has the power to raise or borrow money, and charge any of our property or business or any uncalled capital, and may issue debentures or give any other security for any of our debts, liabilities or obligations or of any other person, in each case, in the manner and on terms it deems fit.

Retirement of Directors

Pursuant to our Constitution and the ASX Listing Rules, at least one director, other than the managing director, must retire from office at every annual general meeting. The director who retires in this manner is required to be the director longest in office since last being elected or re-elected. A director, other than the director who is the Chief Executive Officer, must retire from office at the conclusion of the third annual general meeting after which the director was elected, or at the next annual general meeting if the director was appointed by the board (rather than by a vote of shareholders). Retired directors are eligible for a re-election to the board of directors unless disqualified from acting as a director under the Corporations Act or our Constitution.

Rights and restrictions

The rights attaching to our ordinary shares are detailed in our Constitution. Our Constitution provides that our directors may issue shares with preferred, deferred or other special rights, whether in relation to dividends, voting, return of share capital or otherwise as our board of directors may determine. Subject to any approval which is required from our shareholders under the Corporations Act and the ASX Listing Rules, we may issue further shares on such terms and conditions as our board of directors resolves.

Dividend rights

Our board of directors may from time to time determine to pay dividends to shareholders. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by our board of directors for our benefit until claimed or otherwise disposed of in accordance with our Constitution.

Voting rights

Under our Constitution, and subject to any voting exclusions imposed under the ASX Listing Rules (which typically exclude parties from voting on resolutions to approve a transaction in which they have an interest), the rights and restrictions attaching to a class of shares, each shareholder has one vote on a show of hands at a meeting of the shareholders unless a poll is demanded under the Constitution or the Corporations Act. On a poll vote, each shareholder shall have one vote for each fully paid share and a fractional vote for each share held by that shareholder that is not fully paid, such fraction being equivalent to the proportion of the amount that has been paid to such date on that share. Shareholders may vote in person or by proxy, attorney or representative. Under Australian law, shareholders of a public company are not permitted to approve corporate matters by written consent. Our Constitution does not provide for cumulative voting. Note that ADS holders may not directly vote at a meeting of the shareholders but may instruct the depository to vote the number of deposited ordinary shares their ADSs represent.

Right to share in our profits

Pursuant to our Constitution, our shareholders are entitled to participate in our profits only by payment of dividends. Our board of directors may from time to time determine to pay dividends to the shareholders; however, no dividend is payable except in accordance with the thresholds set out in the Corporations Act.



Rights to share in the surplus in the event of liquidation

Our Constitution provides for the right of shareholders to participate in a surplus in the event of our liquidation, subject to the rights attaching to a class of shares.

No redemption provision for ordinary shares

There are no redemption provisions in our Constitution in relation to ordinary shares.

Variation or cancellation of share rights

Subject to the terms of issue of shares of that class, the rights attached to shares in a class of shares may only be varied or cancelled by either:

- a special resolution passed by members holding shares in the class; or
- the written consent of members with at least 75% of the shares in the class.

Directors may make calls for any amounts on unpaid shares

Our Constitution provides that, subject to the terms on which the shares have been issued, directors may make calls on a shareholder for amounts unpaid on shares held by that shareholder, other than monies payable at fixed times under the conditions of allotment.

General Meetings of Shareholders

General meetings of shareholders may be called by our board of directors. Except as permitted under the Corporations Act, shareholders may not convene a meeting. The Corporations Act requires the directors to call and arrange to hold a general meeting on the request of shareholders with at least 5% of the votes that may be cast at a general meeting. Notice of the proposed meeting of our shareholders is required at least 28 days prior to such meeting under the Corporations Act.

Foreign Ownership Regulation

There are no limitations on the rights to own securities imposed by our Constitution. However, acquisitions and proposed acquisitions of securities in Australian companies may be subject to review and approval by the Australian Federal Treasurer under the Foreign Acquisitions and Takeovers Act 1975, or the FATA, which generally applies to acquisitions or proposed acquisitions:

- by a foreign person (as defined in the FATA) or associated foreign persons that would result in such persons having an interest in 20% or more of the issued shares of, or control of 20% or more of the voting power in, an Australian company; and
- by non-associated foreign persons that would result in such foreign persons having an aggregate interest in 40% or more of the issued shares of, or control of 40% or more of the voting power in, an Australian company, where the Australian company is valued above the monetary threshold prescribed by FATA.

However, no such review or approval under the FATA is required if the foreign acquirer is a U.S. entity or an entity from certain other countries and the value of the target is less than A\$1,134 million, unless the company operates in certain sensitive industries. Exemptions do not apply to investments by foreign governments and their associated entities.

The Australian Federal Treasurer may prevent a proposed acquisition in the above categories or impose conditions on such acquisition if the Treasurer is satisfied that the acquisition would be contrary to the national interest. If a foreign person acquires shares or an interest in shares in an Australian company in contravention of the FATA, the Australian Federal Treasurer may order the divestiture of such person's shares or interest in shares in that Australian company.



Ownership Threshold

There are no provisions in our Constitution that require a shareholder to disclose ownership above a certain threshold. The Corporations Act, however, requires a shareholder to notify us and the ASX once it, together with its associates, acquires a 5% interest in our ordinary shares, at which point the shareholder will be considered to be a “substantial” shareholder. Further, once a shareholder owns a 5% interest in us, such shareholder must notify us and the ASX of any increase or decrease of 1% or more in its holding of our ordinary shares, and must also notify us and the ASX on its ceasing to be a “substantial” shareholder. As we are now a U.S. public company, our shareholders are also subject to disclosure requirements under U.S. securities laws.

Issues of Shares and Change in Capital

Subject to our Constitution, the Corporations Act, the ASX Listing Rules and any other applicable law, we may at any time issue shares and grant options or warrants on any terms, with preferred, deferred or other special rights and restrictions and for the consideration and other terms that the directors determine.

Subject to the requirements of our Constitution, the Corporations Act, the ASX Listing Rules and any other applicable law, including relevant shareholder approvals, we may consolidate or divide our share capital into a larger or smaller number by resolution, reduce our share capital (provided that the reduction is fair and reasonable to our shareholders as a whole and does not materially prejudice our ability to pay creditors) or buy back our ordinary shares whether under an equal access buy-back or on a selective basis.

Change of Control

Takeovers of listed Australian public companies, such as Kazia, are regulated by the Corporations Act, which prohibits the acquisition of a “relevant interest” in issued voting shares in a listed company if the acquisition will lead to that person’s or someone else’s “voting power” (being the person’s relevant interests plus those of its associates) in Kazia’s issued shares increasing from 20% or below to more than 20% or increasing from a starting point that is above 20% and below 90%, subject to a range of exceptions.

Generally, a person will have a relevant interest in securities if the person:

- is the holder of the securities;
- has power to exercise, or control the exercise of, a right to vote attached to the securities; or
- has the power to dispose of, or control the exercise of a power to dispose of, the securities, including any indirect or direct power or control.

If, at a particular time, a person has a relevant interest in issued securities and the person:

- has entered or enters into an agreement with another person with respect to the securities;
- has given or gives another person an enforceable right, or has been or is given an enforceable right by another person, in relation to the securities (whether the right is enforceable presently or in the future and whether or not on the fulfillment of a condition);
- has granted or grants an option to, or has been or is granted an option by, another person with respect to the securities; or
- the other person would have a relevant interest in the securities if the agreement were performed, the right enforced or the option exercised;



then the other person is taken to already have a relevant interest in the securities.

There are a number of exceptions to the above prohibition on acquiring a relevant interest in issued voting shares above 20%. In general terms, some of the more significant exceptions include:

- when the acquisition results from the acceptance of an offer under a formal takeover bid;
- when the acquisition is conducted on market by or on behalf of the bidder under a takeover bid, the acquisition occurs during the bid period, the bid is for all the voting shares in a bid class and the bid is unconditional or only conditioned on prescribed matters set out in the Corporations Act;
- when shareholders of Kazia approve the takeover by resolution passed at general meeting;
- an acquisition by a person if, throughout the six months before the acquisition, that person or any other person has had voting power in Kazia of at least 19% and, as a result of the acquisition, none of the relevant persons would have voting power in Kazia more than three percentage points higher than they had six months before the acquisition;
- when the acquisition results from the issue of securities under a pro rata rights issue;
- when the acquisition results from the issue of securities under dividend reinvestment schemes;
- when the acquisition results from the issue of securities under underwriting arrangements;
- when the acquisition results from the issue of securities through operation of law;
- an acquisition that arises through the acquisition of a relevant interest in another listed company which is listed on a prescribed financial market;
- an acquisition arising from an auction of forfeited shares conducted on-market; or
- an acquisition arising through a compromise, arrangement, liquidation or buy-back.

Breaches of the takeovers provisions of the Corporations Act are criminal offenses. The Australian Securities and Investments Commission, or ASIC, and the Australian Takeover Panel have a wide range of powers relating to breaches of takeover provisions or other circumstances deemed to be unacceptable (whether or not they involve a breach of the takeover provisions), including the ability to make orders canceling contracts, freezing transfers of, and rights attached to, securities, and forcing a party to dispose of securities. There are certain defenses to breaches of the takeover provisions provided in the Corporations Act.

Access to and Inspection of Documents

Inspection of our records is governed by the Corporations Act. Any member of the public has the right to inspect or obtain copies of our registers on the payment of a prescribed fee. Shareholders are not required to pay a fee for inspection of our registers or minute books of the meetings of shareholders. Other corporate records, including minutes of directors' meetings, financial records and other documents, are not open for inspection by shareholders. Where a shareholder is acting in good faith and an inspection is deemed to be made for a proper purpose, a shareholder may apply to the court to make an order for inspection of our books.



DESCRIPTION OF AMERICAN DEPOSITARY SHARES

The Bank of New York Mellon, as depositary, has registered and delivered American Depositary Shares, also referred to as ADSs. Each ADS represents 10 ordinary shares (or a right to receive 10 ordinary shares) deposited with HSBC Bank Australia Limited, as custodian for the depositary. Each ADS may also represent any other securities, cash or other property which may be held by the depositary. The depositary's office at which the ADSs are administered is located at 101 Barclay Street, New York, New York 10286. The Bank of New York Mellon's principal executive office is located at 240 Greenwich Street, New York, New York 10286.

You may hold ADSs either:

- directly (i) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having ADSs registered in your name in the Direct Registration System; or
- indirectly by holding a security entitlement in ADSs through your broker or other financial institution.

If you hold ADSs directly, you are a registered ADS holder, or ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

The Direct Registration System, or DRS, is a system administered by The Depository Trust Company, also referred to as DTC, pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership is confirmed by periodic statements sent by the depositary to the registered holders of uncertificated ADSs.

As an ADS holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Australian law governs shareholder rights. The depositary is the holder of the shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary and you, as an ADS holder, and all other persons directly or indirectly holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs.

The following is a summary of the material provisions of the deposit agreement. Because it is a summary, it does not contain all the information that may be important to you. For more complete information, you should read the entire deposit agreement and the form of ADR which summarizes certain terms of your ADSs. A copy of the deposit agreement is filed as an exhibit to the registration statement of which this prospectus forms a part. You may also obtain a copy of the deposit agreement at the SEC's Public Reference Room which is located at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. You may also find the registration statement and the deposit agreement on the SEC's website at <http://www.sec.gov>.

Dividends and Other Distributions

How will you receive dividends and other distributions on the shares?

The depositary has agreed to pay to you the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent.



- **Cash.** The depositary will convert any cash dividend or other cash distribution we pay on the shares into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any government approval is needed and can not be obtained, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

Before making a distribution, any withholding taxes, or other governmental charges that must be paid will be deducted. It will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, you may lose some or all of the value of the distribution.

- **Shares.** The depositary may distribute additional ADSs representing any shares we distribute as a dividend or free distribution to the extent reasonably practicable and permitted under law. The depositary will only distribute whole ADSs. It will try to sell shares which would require it to deliver a fractional ADS and distribute the net proceeds in the same way as it does with cash. If the depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new shares. The depositary may sell a portion of the distributed shares sufficient to pay its fees and expenses in connection with that distribution.
- **Rights to purchase additional shares.** If we offer holders of our securities any rights to subscribe for additional shares or any other rights, the depositary may make these rights available to you. If the depositary decides it is not legal and practical to make the rights available but that it is practical to sell the rights, the depositary will use reasonable efforts to sell the rights and distribute the proceeds in the same way as it does with cash. The depositary will allow rights that are not distributed or sold to lapse. In that case, you will receive no value for such rights.

If the depositary makes rights available to ADS holders, it will exercise the rights and purchase the shares on your behalf all in accordance with your instructions. The depositary will then deposit the shares and deliver ADSs to you. It will only exercise rights if you pay the exercise price and any other charges the rights require you to pay and comply with other applicable instructions.

- **Other Distributions.** The depositary will send to you anything else we distribute on deposited securities by any means it determines is legal, fair and practical. If it cannot make the distribution in that way, the depositary may adopt another legal, fair and practical method. It may decide to sell what we distributed and distribute the net proceeds in the same way as it does with cash. Or, it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property. However, the depositary is not required to distribute any securities (other than ADSs) to ADS holders unless it receives reasonably satisfactory evidence from us that it is legal to make that distribution. The depositary may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or any other property to ADS holders. This means that you may not receive the distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to you.

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The depositary will deliver ADSs if you or your broker deposit shares or evidence of rights to receive shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or share transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons that made the deposit.



How can ADS holders withdraw the deposited securities?

You may surrender your ADSs at the depository's office. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or share transfer taxes or fees, the depository will deliver the shares and any other deposited securities underlying the ADSs to the ADS holder or a person designated by you at the office of the custodian. In the alternative, at your request, risk and expense, the depository will deliver the deposited securities at its office, if feasible.

How do ADS holders interchange between certificated ADSs and uncertificated ADSs?

You may surrender your ADR to the depository for the purpose of exchanging your ADR for uncertificated ADSs. The depository will cancel that ADR and will send to you a statement confirming that you are the registered holder of uncertificated ADSs. Alternatively, upon receipt by the depository of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depository will execute and deliver to you an ADR evidencing those ADSs.

Voting Rights

How do you vote?

You may instruct the depository to vote the number of deposited ordinary shares your ADSs represent. The depository will notify you of shareholders' meetings and arrange to deliver our voting materials to you upon our request. Those materials will describe the matters to be voted on and explain how ADS holders may instruct the depository how to vote. For instructions to be valid, they must reach the depository by a date established by the depository.

Otherwise, you won't be able to exercise your right to vote unless you withdraw the shares underlying the ADSs. However, you may not know about the meeting with a sufficient amount of advance notice to withdraw the shares.

The depository will attempt, as far as practical, subject to the laws of Australia and of our Constitution or similar documents, to vote or to have its agents vote the shares or other deposited securities represented by your ADSs as instructed by ADS holders. The depository will only vote or attempt to vote as instructed.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depository to vote your ordinary shares. In addition, the depository and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote and there may be nothing you can do if your ordinary shares are not voted as you requested.

In order to give you a reasonable opportunity to instruct the depository as to the exercise of voting rights relating to deposited securities, if we request the depository to act, we agree to give the depository notice of any such meeting and details concerning the matters to be voted upon at least 45 days in advance of the meeting date.



Fees and Expenses

Persons depositing or withdrawing ordinary shares or ADS holders must pay the depositary:

\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

\$.05 (or less) per ADS

A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs

\$.05 (or less) per ADS per calendar year

Registration or transfer fees

Expenses of the depositary

Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes

Any charges incurred by the depositary or its agents for servicing the deposited securities

For:

- Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property
- Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
- Any cash distribution to you
- Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to you
- Depositary services
- Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
- Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement)
- Converting foreign currency to U.S. dollars
- As necessary
- As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid. The depositary may collect any of its fees by deduction from any cash distribution payable to you.

From time to time, the depositary may make payments to us to reimburse or share revenue from the fees collected from you, or waive fees and expenses for services provided, generally relating to costs and expenses arising out of establishment and maintenance of the ADS program. In performing its duties under the deposit agreement, the depositary may use brokers, dealers or other service providers that are affiliates of the depositary and that may earn or share fees or commissions.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until such taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to you any proceeds, or send to ADS holders any property, remaining after it has paid the taxes.



Reclassifications, Recapitalizations and Mergers

<u>If we:</u>	<u>Then:</u>
<ul style="list-style-type: none"> • Reclassify, split up or consolidate any of the deposited securities • Distribute securities in respect of deposited shares that are not distributed to you • Recapitalize, reorganize, merge, liquidate, sell all or substantially all of our assets, or take any similar action 	<p>The cash, shares or other securities received by the depositary will become deposited securities. Each ADS will automatically represent its equal share of the new deposited securities.</p> <p>The depositary may distribute some or all of the cash, shares or other securities it received. It may also ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities.</p>

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADRs without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended.

How may the deposit agreement be terminated?

The depositary will terminate the deposit agreement at our direction by mailing notice of termination to the ADS holders then outstanding at least 90 days prior to the date fixed in such notice for such termination. The depositary may also terminate the deposit agreement by mailing notice of termination to us and the ADS holders if 60 days have passed since the depositary told us it wants to resign but a successor depositary has not been appointed and accepted its appointment.

After termination, the depositary and its agents will do the following under the deposit agreement (but nothing else):

- collect distributions on the deposited securities;
- sell rights and other property; and
- deliver shares and other deposited securities upon cancellation of ADSs.

At any time after termination, the depositary may sell any remaining deposited securities. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement for the pro rata benefit of the ADS holders that have not surrendered their ADSs. It will not invest the money and has no liability for interest. The depositary's only obligations will be to indemnify the relevant persons under the deposit agreement and to account for the money and other cash. After termination our only obligations will be to indemnify the depositary and to pay fees and expenses of the depositary that we agreed to pay.

Limitations on Obligations and Liability

Limits on our Obligations and the Obligations of the Depositary; Limits on Liability to Holders of ADSs

The deposit agreement expressly limits our obligations and the obligations of the depositary. It also limits our liability and the liability of the depositary. We and the depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement;



- are not liable if we are or it is prevented or delayed by law or circumstances beyond our control from performing our or its obligations under the deposit agreement;
- are not liable if we or it exercises discretion permitted under the deposit agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the deposit agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on your behalf or on behalf of any other person;
- may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper person.

In the deposit agreement, we and the depository agree to indemnify each other under certain circumstances.

Requirements for Depository Actions

Before the depository will deliver or register a transfer of an ADS, make a distribution on an ADS, or permit withdrawal of shares, the depository may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any shares or other deposited securities;
- satisfactory proof of the identity and genuineness of any signature; and
- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The depository may refuse to deliver ADSs or register transfers of ADSs generally when the transfer books of the depository or our transfer books are closed or at any time if the depository or we think it advisable to do so.

Your Right to Receive the Shares Underlying your ADSs

You have the right to cancel your ADSs and withdraw the underlying shares at any time except:

- when temporary delays arise because: (i) the depository has closed its transfer books or we have closed our transfer books; (ii) the transfer of shares is blocked to permit voting at a shareholders' meeting; or (iii) we are paying a dividend on our ordinary shares;
- when you owe money to pay fees, taxes and similar charges; and
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.



Pre-Release of ADSs

The deposit agreement permits the depository to deliver ADSs before deposit of the underlying ordinary shares. This is called a pre-release of the ADSs. The depository may also deliver shares upon cancellation of pre-released ADSs (even if the ADSs are canceled before the pre-release transaction has been closed out). A pre-release is closed out as soon as the underlying shares are delivered to the depository. The depository may receive ADSs instead of shares to close out a pre-release. The depository may pre-release ADSs only under the following conditions:

- before or at the time of the pre-release, the person to whom the pre-release is being made represents to the depository in writing that it or its customer owns the shares or ADSs to be deposited;
- the pre-release is fully collateralized with cash, or other collateral that the depository considers appropriate;
- the depository must be able to close out the pre-release on not more than five business days' notice; and
- subject to all indemnities and credit regulations that the depository deems appropriate.

In addition, the depository has agreed to limit the number of ADSs that may be outstanding at any time as a result of pre-release to 30% of the ADSs outstanding under the deposit agreement, although the depository may disregard the limit from time to time, if it thinks it is reasonably appropriate to do so.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the DRS and Profile Modification System, or Profile, will apply to uncertificated ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC under which the depository may register the ownership of uncertificated ADSs, which ownership may be evidenced by periodic statements sent by the depository to the registered holders of uncertificated ADSs. Profile is a required feature of DRS that allows a DTC participant, claiming to act on behalf of a registered holder of ADSs, to direct the depository to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depository of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the deposit agreement understand that the depository will not determine whether the DTC participant that is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the depository's reliance on and compliance with instructions received by the depository through the DRS/Profile System and in accordance with the deposit agreement will not constitute negligence or bad faith on the part of the depository.

Shareholder Communications; Inspection of Register of Holders of ADSs

The depository will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The depository will send you copies of those communications if we ask it to. You have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to our business or the ADSs.



Disclosure of Interests

We may from time to time request ADS holders to provide information as to the capacity in they own or owned ADSs and regarding the identity of any other persons then or previously interested in such ADSs and the nature of such interest. Each ADS holder agrees to provide any information of that kind that is requested by us or the depository. To the extent that provisions of or governing the deposited securities or the rules or regulations of any governmental authority or securities exchange or automated quotation system may require the disclosure of beneficial or other ownership of deposited securities, other shares and other securities to us or other persons and may provide for blocking transfer and voting or other rights to enforce such disclosure or limit such ownership, the depository has agreed to use its reasonable efforts to comply with our written instructions in respect of any such enforcement or limitation.



DESCRIPTION OF WARRANTS

We may issue warrants to purchase ordinary shares represented by ADSs in one or more series, together with other securities or separately, as described in the applicable prospectus supplement. A general description of terms and provisions of the warrants we may offer is included below. A prospectus supplement and warrant agreement will contain specific terms of any warrants.

The prospectus supplement relating to any warrants will contain, as applicable, the following:

- the designation, amount and terms of the securities purchasable on exercise of the warrants;
- the specific designation and aggregate number of, and the price at which we will issue, the warrants;
- the exercise price for ordinary shares and the number of ordinary shares to be received upon exercise of the warrants, if applicable;
- the date on which the right to exercise the warrants will begin and the date on which that right will expire;
- whether the warrants will be issued in fully registered form or bearer form, in definitive or global form, or in any combination of these forms;
- any material U.S. federal or Australian income tax consequences;
- the identity of the warrant agent and of any other depositaries, paying agents, transfer agents, registrars or other agents;
- the proposed listing, if any, of the warrants or any securities purchasable upon exercise of the warrants on any securities exchange;
- the date from and after which the warrants and the ordinary shares will be separately transferable, if applicable;
- the minimum or maximum amount of the warrants that may be exercised at any time, if applicable;
- any information with respect to book-entry procedures;
- any anti-dilution provisions of the warrants;
- any redemption or call provisions of the warrants; and
- any additional terms of the warrants, including procedures and limitations with regard to the exercise and exchange of the warrants.



PLAN OF DISTRIBUTION

We may sell the Securities in any one or more of the following ways from time to time, including any combination thereof:

- to or through underwriters;
- to or through dealers;
- to our shareholders under a rights entitlement offering;
- through agents; or
- directly to purchasers, including our affiliates.

The prospectus supplement relating to a particular offering of our Securities will set forth the terms of such offering, including:

- the type of Securities to be offered;
- the name or names of any underwriters, dealers or agents and the amounts of the Securities underwritten or purchased by each of them;
- the purchase price of the offered Securities and the proceeds to us from such sale;
- any underwriting discounts and commissions or agency fees and other items constituting underwriters' or agents' compensation;
- the initial offering price;
- any discounts or concessions allowed or reallocated to be paid to dealers; and
- any securities exchanges on which the offered Securities may be listed.

Any initial offering prices, discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time. In compliance with the guidelines of the Financial Industry Regulatory Authority, Inc. (FINRA), the maximum commission or discount to be received by any FINRA member or independent broker dealer may not exceed 8% of the aggregate value of the securities offered pursuant to this prospectus.

The distribution of the Securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices.

If the Securities are sold by means of an underwritten offering, we will execute an underwriting agreement with an underwriter or underwriters, and the names of the specific managing underwriter or underwriters, as well as any other underwriters, and the terms of the transaction, including commissions, discounts and any other compensation of the underwriters and dealers, if any, will be set forth in the prospectus supplement which will be used by the underwriters to sell the Securities. If underwriters are utilized in the sale of the Securities, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at fixed public offering prices or at varying prices determined by the underwriters at the time of sale.

Our Securities may be offered to the public either through underwriting syndicates represented by managing underwriters or directly by the managing underwriters. If any underwriter or underwriters are utilized in the sale of the Securities, unless otherwise indicated in the prospectus supplement, the underwriting agreement will provide that the obligations of the underwriters are subject to conditions precedent and that the underwriters with respect to a sale of the Securities will be obligated to purchase all of those Securities if they purchase any of those Securities.



We may grant to the underwriters options to purchase additional Securities to cover over-allotments, if any, at the public offering price with additional underwriting discounts or commissions. If we grant any over-allotment option, the terms of any over-allotment option will be set forth in the prospectus supplement relating to those Securities.

If a dealer is utilized in the sale of the Securities in respect of which this prospectus is delivered, we will sell those Securities to the dealer as principal. The dealer may then resell those Securities to the public at varying prices to be determined by the dealer at the time of resale. Any reselling dealer may be deemed to be an underwriter, as the term is defined in the Securities Act, of the Securities so offered and sold. The name of the dealer and the terms of the transaction will be set forth in the related prospectus supplement.

Offers to purchase the Securities may be solicited by agents designated by us from time to time. Any agent involved in the offer or sale of the Securities will be named, and any commissions payable by us to the agent will be set forth, in the applicable prospectus supplement. Unless otherwise indicated in the prospectus supplement, any agent will be acting on a reasonable best efforts basis for the period of its appointment. Any agent may be deemed to be an underwriter, as that term is defined in the Securities Act, of the Securities so offered and sold.

Offers to purchase the Securities may be solicited directly by us and the sale of those Securities may be made by us directly to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of those Securities. The terms of any sales of this type will be described in the related prospectus supplement.

If so indicated in the prospectus supplement, we will authorize underwriters or other persons acting as our agents to solicit offers by institutions to purchase Securities from us pursuant to contracts providing for payments and delivery on a future date. Institutions with which contracts of this type may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases those institutions must be approved by us. The obligations of any purchaser under any contract of this type will be subject to the condition that the purchase of the Securities shall not at the time of delivery be prohibited under the laws of the jurisdiction to which the purchaser is subject. The underwriters and other persons acting as our agents will not have any responsibility in respect of the validity or performance of those contracts.

Disclosure in the prospectus supplement of our use of delayed delivery contracts will include the commission that underwriters and agents soliciting purchases of the Securities under delayed contracts will be entitled to receive in addition to the date when we will demand payment and delivery of the Securities under the delayed delivery contracts. These delayed delivery contracts will be subject only to the conditions that we describe in the prospectus supplement.

In connection with the offering of the Securities, persons participating in the offering, such as any underwriters, may purchase and sell the Securities in the open market. These transactions may include over-allotment and stabilizing transactions and purchases to cover syndicate short positions created in connection with the offering. Stabilizing transactions consist of bids or purchases for the purpose of preventing or retarding a decline in the market price of the Securities, and syndicate short positions involve the sale by underwriters of a greater number of Securities than they are required to purchase from any issuer in the offering. Underwriters also may impose a penalty bid, whereby selling concessions allowed to syndicate members or other broker-dealers in respect of the Securities sold in the offering for their account may be reclaimed by the syndicate if the Securities are repurchased by the syndicate in stabilizing or covering transactions. These activities may stabilize, maintain or otherwise affect the market price of the Securities, which may be higher than the price that might prevail in the open market, and these activities, if commenced, may be discontinued at any time.



Underwriters, dealers, agents and remarketing firms may be entitled under relevant agreements entered into with us to indemnification by us against certain civil liabilities, including liabilities under the Securities Act that may arise from any untrue statement or alleged untrue statement of a material fact or any omission or alleged omission to state a material fact in this prospectus, any supplement or amendment hereto, or in the registration statement of which this prospectus forms a part, or to contribution with respect to payments which the agents, underwriters or dealers may be required to make.

If Securities are sold by means of a rights entitlement offering, the prospectus supplement will set forth the terms and conditions of any such rights entitlement offering, including the manner in which it will be conducted and details on how our shareholders can participate in any such offering. A rights entitlement offering conducted under applicable Australian rules and regulations is a pro rata offering of additional securities to all our eligible shareholders, as at a specified record date. Under applicable ASX Listing Rules, shareholder approval is not required for a pro rata rights entitlement offering.



EXPENSES

Set forth below is an itemization of the estimated expenses currently expected to be incurred in connection with the issuance and distribution of the Securities. The amounts in the table below are estimates, with the exception of the SEC registration fee. Additional expenses relating to offerings of particular Securities are not included in the table below. Each prospectus supplement describing an offering of Securities will provide estimated expenses related to the Securities offered under that prospectus supplement.

SEC registration fee	US\$ 12,450
Legal fees and expenses	30,000
Accounting fees and expenses	10,000
Printing expenses	5,000
Other miscellaneous fees and expenses	2,000
Total	<u>US\$ 59,450</u>

LEGAL MATTERS

The validity of the Securities and certain other legal matters will be passed upon for us by Baker & McKenzie, our Australian and US counsel.

EXPERTS

The audited financial statements incorporated by reference in this prospectus and elsewhere in the registration statement have been so incorporated by reference in reliance upon the report of Grant Thornton Audit Pty Ltd., independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

ENFORCEABILITY OF CIVIL LIABILITIES

We are a public limited company incorporated under the laws of Australia. Certain of our directors are non-residents of the United States and substantially all of their assets are located outside the United States. As a result, it may not be possible for you to:

- effect service of process within the United States upon our non-U.S. resident directors or on us;
- enforce in U.S. courts judgments obtained against our non-U.S. resident directors or us in the U.S. courts in any action, including actions under the civil liability provisions of U.S. securities laws;
- enforce in U.S. courts judgments obtained against our non-U.S. resident directors or us in courts of jurisdictions outside the United States in any action, including actions under the civil liability provisions of U.S. securities laws; or
- bring an original action in an Australian court to enforce liabilities against our non-U.S. resident directors or us based solely upon U.S. securities laws.

You may also have difficulties enforcing in courts outside the United States judgments that are obtained in U.S. courts against any of our non-U.S. resident directors or us, including actions under the civil liability provisions of the U.S. securities laws.

With that noted, there are no treaties between Australia and the United States that would affect the recognition or enforcement of foreign judgments in Australia. We also note that investors may be able to bring an original action in an Australian court against us to enforce liabilities based in part upon U.S. federal securities laws.



The disclosure in this section is not based on the opinion of counsel.

We have appointed CT Corporation System as our agent to receive service of process with respect to any action brought against us under the federal securities laws of the United States.

INCORPORATION BY REFERENCE

The SEC allows us to “incorporate by reference” information into this prospectus. This means we are able to disclose important information to you by referring you to other documents that we have filed separately with the SEC. The information incorporated by reference is considered a part of this prospectus and should be read carefully. Certain information in this prospectus supersedes information incorporated by reference that we filed with the SEC prior to the date of this prospectus. Certain information that we file later with the SEC will automatically update and supersede the information in this prospectus. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We incorporate by reference into this prospectus and the registration statement of which it is a part the following documents, including any amendments to such filings:

- our Annual Report on Form 20-F for the fiscal year ended June 30, 2017 (filed on October 25, 2017);
- any annual report on Form 20-F filed with the SEC after the date of this prospectus;
- our Current Report on Form 6-K, furnished to the SEC on July 18, 2018, relating to our half yearly report for the half year ended December 31, 2017;
- any half yearly report on Form 6-K furnished to the SEC after the date of this prospectus and prior to the termination of this offering of Securities; and
- any other Report on Form 6-K submitted to the SEC after the date of this prospectus and prior to the termination of this offering of securities, but only to the extent that those forms expressly state that we incorporate them by reference in this prospectus.

We have not authorized anyone else to provide you with additional or different information to the information included in and incorporated by reference to this prospectus and any prospectus supplement. You should rely only on the information provided by and incorporated by reference to this prospectus and any prospectus supplement.

Upon written or oral request, we shall provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus is delivered a copy of any or all of the documents that are incorporated by reference to this prospectus but not delivered with this prospectus. You may request a copy of these filings by contacting us at Kazia Therapeutics Limited, Three International Towers, Level 24, 300 Barangaroo Avenue, Sydney, NSW, 2000, Australia, Attention Company Secretary, telephone +61 437 376 171.



WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have a registration statement on Form F-3 filed with the SEC, including relevant exhibits, under the Securities Act with respect to the securities offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits. As this prospectus does not contain all of the information contained in the registration statement, you should read the registration statement, its exhibits and the documents incorporated by reference for further information with respect to us and our securities. All information we file with the SEC is available through the SEC's Electronic Data Gathering, Analysis and Retrieval system, which may be accessed through the SEC's website at www.sec.gov. Information filed with the SEC may also be inspected and copied at the Public Reference Room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents upon payment of a duplicating fee, by writing to the SEC. Please visit the SEC's website at www.sec.gov for further information on the SEC's Public Reference Room.

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Our annual report on Form 20-F for the year ending June 30, 2017, has been filed with the SEC and an annual report on Form-20-F for subsequent years will be due within four months following the fiscal year end.

We are not required to disclose certain other information that is required from U.S. domestic issuers. As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act and Regulation FD (Fair Disclosure), which was adopted to ensure that select groups of investors are not privy to specific information about an issuer before other investors.

We are, however, still subject to the anti-fraud and anti-manipulation rules of the SEC, such as Rule 10b-5. Since many of the disclosure obligations required of us as a foreign private issuer are different than those required by companies filing as a domestic issuer, our shareholders, potential shareholders and the investing public in general should not expect to receive information about us in the same amount and at the same time as information is received from, or provided by, companies filing as a domestic issuer. We are liable for violations of the rules and regulations of the SEC that apply to us as a foreign private issuer.

We will also be subject to the informational requirements of the ASX. Our public filings with the ASX are electronically available from the ASX website (www.asx.com.au).

Only the specific documents incorporated by reference above, or incorporated by reference in any prospectus supplement, are to be deemed incorporated by reference into this prospectus and the registration statement of which it is a part. No information available on or through our website, or any other website reference herein, shall be deemed incorporated by reference into this prospectus.

DISCLOSURE OF SEC'S POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITY

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or controlling persons of Kazia, we have been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.



Kazia Therapeutics Limited

US\$100,000,000

American Depositary Shares representing Ordinary Shares

Warrants

PROSPECTUS

, 2018

No dealer, salesperson or any other person is authorized to give any information or make any representations in connection with this offering other than those contained in this prospectus and, if given or made, the information or representations must not be relied upon as having been authorized by us. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the securities offered by this prospectus, or an offer to sell or a solicitation of an offer to buy any securities by anyone in any jurisdiction in which the offer or solicitation is not authorized or is unlawful.



PART II INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 8. Indemnification of Directors and Officers.

Australian law. Australian law provides that a company or a related body corporate of the company may provide for indemnification of officers and directors, except to the extent of any of the following liabilities incurred as an officer or director of the company:

- a liability owed to the company or a related body corporate of the company;
- a liability for a pecuniary penalty order made under section 1317G or a compensation order under section 961M, 1317H, 1317HA or 1317HB of the Australian Corporations Act 2001;
- a liability that is owed to someone other than the company or a related body corporate of the company and did not arise out of conduct in good faith; or
- legal costs incurred in defending an action for a liability incurred as an officer or director of the company if the costs are incurred:
 - in defending or resisting proceedings in which the officer or director is found to have a liability for which they cannot be indemnified as set out above;
 - in defending or resisting criminal proceedings in which the officer or director is found guilty;
 - in defending or resisting proceedings brought by the Australian Securities & Investments Commission or a liquidator for a court order if the grounds for making the order are found by the court to have been established (except costs incurred in responding to actions taken by the Australian Securities & Investments Commission or a liquidator as part of an investigation before commencing proceedings for a court order); or
 - in connection with proceedings for relief to the officer or a director under the Corporations Act, in which the court denies the relief.

Constitution. Our Constitution provides, except to the extent prohibited by the law and the Corporations Act, for the indemnification of every person who is or has been an officer or a director of Kazia against liability (other than legal costs that are unreasonable) incurred by that person as an officer or director. This includes any liability incurred by that person in their capacity as an officer or director of a subsidiary of Kazia where the company requested that person to accept that appointment.

Indemnification Agreements. Pursuant to Deeds of Access, Insurance and Indemnity, we have agreed to indemnify our directors against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director.

SEC Position. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.



Item 9. Exhibits.

EXHIBIT INDEX

<u>Exhibits</u>	<u>Description</u>
1.1	Form of Underwriting Agreement*
3.1	<u>Constitution of Kazia Therapeutics Limited (incorporated by reference to Exhibit 1.1 to the Company’s Annual Report on Form 20-F filed with the SEC on October 25, 2017)</u>
4.1	<u>Amended and Restated Deposit Agreement, dated as of June 13, 2016, between Kazia Therapeutics Limited (then known as Novogen Limited) and The Bank of New York Mellon, as depositary, and Owners and Holders of the American Depositary Shares (incorporated by reference to Exhibit 2.1 to the Company’s Annual Report on Form 20-F filed with the SEC on October 25, 2017)</u>
4.2	Form of American Depositary Receipt evidencing American Depositary Shares (included in Exhibit 4.1)
4.3	Form of ADS Warrant Agent Agreement**
4.4	Form of Global Warrant to Purchase ADSs (included in Exhibit 4.3)**
4.5	Form of Certificate of Designation of Warrants**
5.1	<u>Opinion of Baker & McKenzie</u>
23.1	Consent of Baker & McKenzie (included in Exhibit 5.1)
23.2	<u>Consent of Grant Thornton Audit Pty Ltd</u>
24.1	Power of Attorney (contained on the signature page to this registration statement)

* To be filed as an amendment or as an exhibit to a report on Form 6-K furnished to the SEC.
** To be filed as an amendment or as an exhibit to a report on Form 6-K furnished to the SEC and incorporated by reference herein if any warrants are offered under this registration statement.



Item 10. Undertakings

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales of the registered securities are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (1)(i), (1)(ii) and (1)(iii) to this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the Registration Statement.
- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) To file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A. of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Act need not be furnished, provided that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements. Notwithstanding the foregoing, a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the Act or Item 8.A. of Form 20-F if such financial statements and information are contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.
- (5) That, for the purpose of determining liability under the Securities Act to any purchaser:
 - (i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
 - (ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such Securities at that time shall be deemed to be the initial bona fide offering thereof. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.



- (6) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
 - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
 - (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.



SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Sydney, Australia on July 19, 2018.

Kazia Therapeutics Limited

By: /s/ James Garner _____
Name: James Garner
Title: Chief Executive Officer



POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James Garner as his or her true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for him or her and in his name or her name, place and stead, in any and all capacities, in connection with this registration statement, including to sign and file in the name and on behalf of the undersigned as director or officer of the registrant, any and all amendments or supplements (including any and all prospectus supplements, stickers and post-effective amendments) to this registration statement with all exhibits thereto, and sign any registration statement for the same offering covered by this registration statement that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post-effective amendments thereto and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and any applicable securities exchange, securities self-regulatory body or other regulatory authority, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite or necessary to be done in connection therewith and in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Iain Ross</u> Iain Ross	Chairman	July 19, 2018
<u>/s/ James Garner</u> James Garner	Chief Executive Officer and Managing Director (principal executive officer)	July 19, 2018
<u>/s/ Gabrielle Heaton</u> Gabrielle Heaton	Director of Finance & Administration (principal financial and accounting officer)	July 19, 2018
<u>/s/ Bryce Carmine</u> Bryce Carmine	Director	July 19, 2018
<u>/s/ Steven R. Coffey</u> Steven R. Coffey	Director	July 19, 2018



AUTHORIZED U.S. REPRESENTATIVE

Pursuant to the Securities Act of 1933, as amended, the undersigned, the duly authorized representative in the United States of Kazia Therapeutics Limited, has signed this registration statement in Sydney, Australia on July 19, 2018.

Authorized U.S. Representative

Kazia Therapeutics Inc

By: /s/ James Garner

Name: James Garner

Title: Director



Exhibit 5.1



Baker & McKenzie
 Tower One - International Towers Sydney
 Level 46, 100 Barangaroo Avenue
 Sydney, NSW 2000
 Australia

Tel: +61 2 9225 0200
 Fax: +61 2 9225 1595
 www.bakermckenzie.com

July 19, 2018

Kazia Therapeutics Limited
 Level 24, Three International Towers
 300 Barangaroo Avenue
 Sydney, NSW 2000
 Australia

Re: Registration Statement on Form F-3

Ladies and Gentlemen:

We have acted as Australian counsel to Kazia Therapeutics Limited, an Australian corporation (the “Company”), in connection with its filing of a registration statement on Form F-3 (the “Registration Statement”) under the U.S. Securities Act of 1933, as amended (the “Securities Act”), with the U.S. Securities and Exchange Commission (the “Commission”).

The Registration Statement relates to the proposed offer, issue and sale by the Company from time to time, pursuant to Rule 415 of the General Rules and Regulations promulgated under the Securities Act, of the Company’s American Depositary Shares (the “ADSs”), each representing 10 ordinary shares of the Company (the “Shares”) and as evidenced by American Depositary Receipts, and warrants (akin to “options” under Australian law) to subscribe for Shares as represented by ADSs (“Warrants”), up to an aggregate amount of \$100,000,000 (the ADSs and Warrants being referred to collectively hereinafter as the “Securities”).

For the purposes of this opinion, we have examined and relied upon copies of the following documents:

- (a) the Registration Statement;
- (b) a draft of the prospectus contained in the Registration Statement;
- (c) the Company’s Constitution; and
- (d) a search obtained from the Australian Securities and Investments Commission as at July 19, 2018.

We have also examined and relied upon a certificate, dated the date hereof, of the Company Secretary of the Company certifying the accuracy and completeness of the Constitution of the Company and resolutions of the Board of Directors of the Company dated July 9, 2018. We have also examined such other documents and made such enquiries as to questions of law as we have deemed relevant and necessary in order to render the opinions set forth below.

In such examination, we have assumed (a) the genuineness of all signatures; (b) the authenticity of all documents submitted to us as originals; (c) the conformity to original documents of all documents submitted to us as copies (certified or otherwise); (d) the authenticity of the originals of such copies; (e) all information contained in all documents reviewed by us is true and correct; (f) that resolutions of the Board of Directors of the Company that we have relied upon for the purposes of this opinion have not been, and will not be, varied or revoked after the date of this opinion and that the meetings of the Board of Directors of the Company at which the resolutions were considered were properly convened, all Directors who attended and voted were entitled to do so, the resolutions were properly passed, and the Directors have performed their duties properly and all provisions relating to the declaration of Directors’ interests or the power of interested Directors were duly observed; (g) the accuracy of any searches obtained from the Australian Securities and Investments Commission in relation to the Company; (h) each natural person signing any document reviewed by us had the legal capacity to do so and to perform his or her obligations thereunder; and (i) each person signing in a representative capacity any document reviewed by us had authority to sign in such capacity.



Our opinion is subject to (i) the Registration Statement, and any amendments thereto (including all necessary post-effective amendments), becoming effective under the Securities Act (and on the assumption that it will remain effective at the time of issuance of any Securities thereunder); (ii) an appropriate prospectus supplement with respect to the offering of the Securities (if applicable) being prepared, delivered and timely filed with the Commission in compliance with the Securities Act and the applicable rules and regulations thereunder; (iii) the Securities to be sold pursuant to the applicable prospectus supplement being duly authorized by the Board of Directors and, where applicable, the Company's shareholders; (iv) the agreed upon consideration being received for the issue of the Securities; (v) the aggregate offering price of all Securities not exceeding \$100,000,000; (vi) if in an underwritten offering, a definitive purchase, underwriting or similar agreement with respect to any Securities will be duly authorized and validly executed and delivered by the Company and the other parties thereto; and (vii) the terms of the issuance and sale of the Securities (including for the purposes of paragraph (e) below any warrant agreement) being in conformity with the Company's Constitution, the Australian Corporations Act 2001 (the "Corporations Act") and the listing rules of the Australian Securities Exchange, and in the manner stated in the Registration Statement and the applicable prospectus supplement, so as not to violate any applicable law or result in a default under or breach of any agreement or instrument binding upon the Company, and so as to comply with any requirement or restriction imposed by any court or governmental body having jurisdiction over the Company.

Based upon and subject to the foregoing, we are of the opinion that:

- (a) the Company is duly incorporated and validly existing under the laws of the Commonwealth of Australia in good standing (as such term is not defined under the Corporations Act, meaning solely that there are no current orders for the winding up of, or appointment of a receiver or liquidator for the Company or any notice of its proposed deregistration);
- (b) the issue of the Securities has been duly authorized;
- (c) when issued and paid for as contemplated by the prospectus and any prospectus supplement, the Shares represented by ADSs will be legally issued, fully paid and non-assessable (for the purpose of this opinion, the term "non-assessable", when used to describe the liability of a person as the registered holder of ordinary shares has no clear meaning under the laws of the Commonwealth of Australia, so we have assumed those words to mean that holders of such ordinary shares, having fully paid all amounts due on such ordinary shares, are under no personal liability to contribute to the assets and liabilities of the Company in their capacities purely as holders of such ordinary shares);
- (d) in the case of any Warrants, assuming any warrant agreement entered into by the Company only provides for the terms of issuance of the Warrants, has been approved by the Company's Board of Directors and duly authorized, executed and delivered by the Company and any warrant agent, and that the Company complies with the terms of any such warrant agreement, the Warrants will be valid and binding obligations of the Company; and



(e) upon the exercise of any Warrants and the Company receiving any additional consideration which is payable upon the exercise of the Warrants, the ordinary shares representing the ADSs issuable upon the exercise of the Warrants will be legally issued, fully paid and non-assessable.

The opinions expressed above are limited to the laws of the Commonwealth of Australia and we do not express any opinion as to the effect of any other laws, in particular as to whether an agreement or security which is governed by a law other than such laws is valid and binding. This opinion letter is limited to the matters stated herein; no opinion may be inferred beyond the matters expressly stated.

This opinion letter will be deemed to have been delivered as of the date of effectiveness of the Registration Statement and will speak as of such date.

We hereby consent to the use of our opinion as herein set forth as an exhibit to the Registration Statement and to the use of our name under the caption “Legal Matters” in the prospectus forming a part of the Registration Statement. In giving this consent, we do not hereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder.

This letter is given only on behalf of Baker & McKenzie, an Australian partnership and not on behalf of any other member firm of Baker & McKenzie International. In this letter, “we”, “us”, “our” and like expressions should be construed accordingly.

Very truly yours,

/s/ Baker & McKenzie
Baker & McKenzie



Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We have issued our report dated October 25, 2017 with respect to the consolidated financial statements of Kazia Therapeutics Limited included in the Annual Report on Form 20-F for the year ended June 30, 2017, which is incorporated by reference in this Registration Statement.

We consent to the incorporation by reference of the aforementioned report in this Registration Statement and to the use of our name as it appears under the caption “Experts”.

/s/ GRANT THORNTON
GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Sydney NSW Australia
July 19, 2018



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of July, 2018

Commission File Number _____

Kazia Therapeutics Limited
(Translation of registrant's name into English)

Three International Towers Level 24 300 Barangaroo Avenue Sydney NSW 2000
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark if the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes No

If "yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b)



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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Kazia Therapeutics Limited (Registrant)

Kate Hill

Kate Hill
Company Secretary

Date 18 July 2018



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Dear Shareholder,

It is a pleasure to share with you the Half-Yearly Report for the period to 31 December 2017. This is our first statutory report as Kazia Therapeutics Limited, following the transformation of the Company that was approved by shareholders at our Annual General Meeting in November 2017, and reflects many of the significant changes that the Company has been through over the past twelve months or more. Accordingly, I wanted to take this opportunity to draw your attention to some of the recent key developments in the business.

We announced in December 2017 that we had reached an agreement with Noxopharm (ASX: NOX), whereby Kazia agreed to provide certain technical information to support the development of their lead program, and released Noxopharm from future claims by Kazia against the intellectual property associated with that program. To be clear, this agreement does not affect any of Kazia's current portfolio in any way. We believe this settlement is in the best interests of shareholders in both companies, and we commend the Noxopharm Board for working pragmatically towards a mutually beneficial outcome. As a result, Kazia now holds approximately 4.9% of the issued share capital of Noxopharm, with options over a further tranche of stock. As a fellow drug developer, and as a shareholder, we wish them every success in their future efforts.

As you will see from the accompanying financial statements, this settlement has been fully brought to account on our balance sheet. In principle, the additional assets significantly extend Kazia's runway, and we are now fully-funded into calendar 2019, which is an important consideration as we turn our attention to the phase II clinical study of GDC-0084. We had intended to open the study for recruitment at the very end of last year, and all of the necessary steps required of the Company had been completed on schedule. Despite the assiduous planning, the first site initiation has been held up due to some unanticipated internal procedural requirements at the site. As a result, we now anticipate that the study will commence in late March or early April. Whilst this has been frustrating, given the Kazia team had worked so hard toward a December start, we nevertheless expect that it will have minimal impact on the overall timeline and costs of the study.

We liaised with our Scientific Advisory Board throughout the period and in November 2017 we held a two-day, face-to-face meeting in Sydney, where it was exciting to hear their thoughts on the longer-term trajectory for the GDC-0084 program. The four members of the SAB bring an incredible wealth of experience to the Company, and we are very much looking forward to putting some of their advice into practice over the coming year, and sharing with you our progress in due course.

Meanwhile, the ongoing study of Cantrixil in ovarian cancer continues to progress well. At the time of writing, the study is still in the 'dose escalation' stage, which primarily aims to understand the safety and tolerability of the drug and to establish a 'maximum tolerated dose' for further investigation. Given the open-ended design of such dose escalation studies, the exact completion is difficult to forecast, but we currently expect to be able to report data from this initial phase in the second quarter of calendar 2018. We are tremendously grateful to the clinicians and hospital staff who have been so diligently driving this study forward at each of the participating sites.



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As you would expect, your Board remains highly attuned to the ongoing financial needs of the Company, and continues to consider appropriate channels to ensure that our work remains well funded. Whilst the Noxopharm settlement has strengthened our balance sheet significantly, we continue to explore grant funding, licensing opportunities, and equity investment opportunities in the Company. Your Board recognises that it is imperative to carefully balance the interests of our existing investors with the overarching obligation to deliver value-driving data across our key programs.

In line with our announcements regarding cost management in FY17, during the period we kept a tight control on our cost base and further reduced our operating expenses wherever possible. This strong focus on cost containment saw us make a number of changes in personnel and resulted in the relocation of our office to a more cost-effective site in Sydney, post the reporting period. For the time being we have suspended investment into discovery research, including the next generation ATM program, in order to more fully devote our resources to the GDC-0084 and Cantrixil clinical programs. Whilst we continue to be excited by our involvement in world-leading discovery science, it is high risk, costly and early-stage, and we believe that the two clinical programs represent a more near-term opportunity to provide value to patients and shareholders. Notwithstanding, we are working with our collaborators to find innovative alternatives to take this important discovery research forward.

In conclusion, I have spoken on many occasions about the transformation that our Company has been through over the past two years, which has been methodically implemented by the Board and Management team, and which culminated with the successful launch of our new identity as Kazia Therapeutics Limited at the end of last year. Suffice to say Kazia is now, in almost all respects, the Company that we have set out to build. No doubt we will continue to develop, change and improve, but I am confident enough in the work that has been done to declare that the rebuilding of the company is concluded.

Our task now is to deliver on the great promise of our portfolio, to execute world-class clinical trials, to produce high-quality data, and ultimately to bring forward new treatments for patients with cancer. There is much to be excited about in the coming year: data read-outs from the Cantrixil phase I study, commencement of the GDC-0084 phase II study, and the hopeful fruition of other projects and collaborations that the company continues to explore.

On behalf of our CEO, the Board & Management I can confirm that we are all invigorated by this challenge, and we continue to be grateful for the ongoing support of our shareholders

Yours sincerely,

/s/ Iain Ross
Iain Ross
Chairman of the Board



Kazia Therapeutics Limited
 (Formerly known as Novogen Limited)
 Appendix 4D
 Half-year report



1. Company details

Name of entity: Kazia Therapeutics Limited
 ABN: 37 063 259 754
 Reporting period: For the half-year ended 31 December 2017
 Previous period: For the half-year ended 31 December 2016

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	53.8% to	66,227
Profit from ordinary activities after tax attributable to the owners of Kazia Therapeutics Limited	up	110.2% to	424,779
Profit for the half-year attributable to the owners of Kazia Therapeutics Limited	up	110.2% to	424,779

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The profit for the consolidated entity after providing for income tax amounted to \$424,779 (31 December 2016: loss of \$4,182,556).

Operating revenue for the half year ended 31 December 2017 was \$66,227 compared with \$143,255 for the half year ended 31 December 2016 and operating expenses for the half year ended 31 December 2017 amounted to \$3,806,734, compared with \$3,969,579 in the previous corresponding period.

The profit for the half year ended 31 December 2017 includes Research and Development spending of \$4,696,374 compared with \$4,880,831 for the half year ended 31 December 2016.

The consolidated entity's current assets at 31 December 2017 were \$14,752,740 (June 2017 \$19,480,341), with current liabilities of \$7,056,769 (June 2017 \$5,384,107).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>22.00</u>	<u>21.00</u>

During the period the Company's share capital was consolidated by a factor of 10. Accordingly, the comparative figure of net tangible assets per share has been adjusted by the same factor, to disclose the comparative figure as if the shares were also consolidated in the previous period.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.



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Kazia Therapeutics Limited
 (Formerly known as Novogen Limited)
 Appendix 4D
 Half-year report



6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Yearly Report.

11. Attachments

Details of attachments (if any):

The Half Yearly Report of Kazia Therapeutics Limited for the half-year ended 31 December 2017 is attached.

12. Signed

Signed /s/ Iain Ross

Date: 21 February 2018



Kazia Therapeutics Limited

(Formerly known as Novogen Limited)

ABN 37 063 259 754

Half Yearly Report - 31 December 2017



Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Directors' report
31 December 2017



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Kazia Therapeutics Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

Directors

The following persons were Directors of Kazia Therapeutics Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Iain Ross
Bryce Carmine
Steven Coffey
James Garner

Principal activities

During the financial year the principal continuing activity of the consolidated entity consisted of pharmaceutical research and development.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$424,779 (31 December 2016: loss of \$4,182,556).

The attached financial statements detail the performance and financial position of the consolidated entity for the half-year ended 31 December 2017.

Cash resources

At 31 December 2017, the consolidated entity had total funds of \$6,641,073 comprising cash in hand and at bank of \$3,641,073 and short term deposits of \$3,000,000.

The lead R&D program for the consolidated entity is GDC-0084, a small-molecule dual inhibitor of the phosphatidylinositol 3-kinase (PI3K) pathway and the mammalian target of rapamycin (mTOR), which was licensed from Genentech Inc. in October 2016. GDC-0084 has completed a 47-patient phase I clinical study under Genentech in patients with progressive or recurrent high grade glioma, which showed the drug to be generally safe and well-tolerated, and which provided signals of potential clinical activity. The development candidate is distinguished from the majority of molecules in this class by its ability to cross the blood-brain barrier, which has been demonstrated in multiple animal species and confirmed in human clinical data. The company convened an Advisory Board of experts in November 2017 to help in finalising the design of the Phase II development of GDC-0084 and anticipates initiating a Phase II clinical trial early in calendar 2018.

The consolidated entity is also developing Cantrixil (TRX-E-002-1), a small-molecule agent arising from an in-house discovery program. Through a collaboration with researchers at Yale University, Cantrixil has shown in vitro and in vivo activity against both differentiated cancer cells and cancer stem cells (sometimes referred to as tumour-initiating cells), which are believed to be an important contributor to chemotherapy resistance and disease recurrence. Cantrixil commenced a phase I clinical trial in patients with recurrent or refractory ovarian cancer in December 2016, and this study is expected to provide data in calendar 2018.

Significant changes in the state of affairs

As settlement of an ongoing legal dispute on 22 December 2017 the consolidated entity reached an agreement with another ASX listed company, Noxopharm Limited, in relation to that company's key asset, NOX66. As part of this agreement, the consolidated entity has taken up shares and options in that listed entity at no financial cost. Further details are set out in Note 21.

On 13 November 2017 the consolidated entity entered into an agreement to license and assign certain pre-clinical assets to Heaton-Brown Life Sciences, LLC (HBLS), a privately-held start-up enterprise. The agreement provides for the licensing of Trilexium (TRX-E-009-1) and other 'superbenzopyran' molecules, and assignment of the early-stage 'ad-het' series of discovery leads. The consolidated entity retains all worldwide rights to Cantrixil (TRX-E-002-1), which is currently in a phase I clinical trial for ovarian cancer. In consideration for the licensed assets, the consolidated entity receives 10% of the equity in HBLS, along with milestone and royalty payments linked to successful development of the intellectual property. The equity in HBLS has been recorded in the financial statements at a carrying value of \$1, reflecting the start up nature of that company.



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Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Directors' report
31 December 2017



There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

/s/ Iain Ross

Iain Ross
Chairman

21 February 2018
Sydney



Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Contents
31 December 2017



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Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8
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General information

The financial statements cover Kazia Therapeutics Limited as a consolidated entity consisting of Kazia Therapeutics Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Kazia Therapeutics Limited's functional and presentation currency.

Kazia Therapeutics Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Three International Towers
Level 24, 300 Barangaroo Avenue
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 February 2018.



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Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2017



	Note	Consolidated	
		Dec 2017 \$	Dec 2016 \$
Revenue	3	66,227	143,255
Other income	4	9,373,112	4,459,562
Expenses			
Research and development expense		(4,696,374)	(4,880,831)
General and administrative expense		(3,806,734)	(3,969,579)
Loss on disposal of fixed assets		(5,333)	—
Finance costs	5	(649,855)	—
Profit/(loss) before income tax benefit		281,043	(4,247,593)
Income tax benefit		143,736	65,037
Profit/(loss) after income tax benefit for the half-year attributable to the owners of Kazia Therapeutics Limited		424,779	(4,182,556)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net exchange difference on translation of financial statements of foreign controlled entities		19,520	(36,581)
Gain on the revaluation of available-for-sale financial assets		76,846	1,113
Other comprehensive income for the half-year		96,366	(35,468)
Total comprehensive income for the half-year attributable to the owners of Kazia Therapeutics Limited		<u>521,145</u>	<u>(4,218,024)</u>
		Cents	Cents
Basic earnings per share	19	0.879	(9.24)
Diluted earnings per share	19	0.879	(9.24)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes



Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Statement of financial position
As at 31 December 2017



	Note	Consolidated Dec 2016 \$	Consolidated Jun 2016 \$
Assets			
Current assets			
Cash and cash equivalents	6	6,641,073	14,454,784
Trade and other receivables	7	5,539,336	4,262,512
Income tax refund due		4,894	4,963
Prepayments	8	2,567,437	758,082
Total current assets		<u>14,752,740</u>	<u>19,480,341</u>
Non-current assets			
Financial assets	9	7,797,242	21,803
Property, plant and equipment	10	147,202	489,605
Intangibles	11	15,119,679	15,918,354
Total non-current assets		<u>23,064,123</u>	<u>16,429,762</u>
Total assets		<u>37,816,863</u>	<u>35,910,103</u>
Liabilities			
Current liabilities			
Trade and other payables		2,784,400	1,872,554
Provision		237,064	155,149
Unearned Revenue		183,818	41,003
Contingent consideration		3,851,487	3,315,401
Total current liabilities		<u>7,056,769</u>	<u>5,384,107</u>
Non-current liabilities			
Deferred tax	12	4,170,699	4,314,435
Provisions		—	63,878
Trade and other payables		—	106,398
Deferred consideration		817,370	703,599
Total non-current liabilities		<u>4,988,069</u>	<u>5,188,310</u>
Total liabilities		<u>12,044,838</u>	<u>10,572,417</u>
Net assets		<u>25,772,025</u>	<u>25,337,686</u>
Equity			
Contributed equity	13	31,575,824	193,769,409
Other contributed equity	14	464,000	600,000
Reserves	15	2,045,298	1,929,338
Accumulated losses	16	(8,313,097)	(170,961,061)
Total equity		<u>25,772,025</u>	<u>25,337,686</u>

The above statement of financial position should be read in conjunction with the accompanying notes



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Novogen Limited
(Formerly known as Novogen Limited)
Statement of changes in equity
For the half-year ended 31 December 2017



Consolidated	Issued capital \$	Other contributed equity \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2016	191,301,217	1,716,101	1,420,392	(160,506,785)	33,930,925
Loss after income tax benefit for the half-year	—	—	—	(4,182,556)	(4,182,556)
Other comprehensive income for the half-year, net of tax	—	—	(35,468)	—	(35,468)
Total comprehensive income for the half-year	—	—	(35,468)	(4,182,556)	(4,218,024)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	(17,662)	—	—	—	(17,662)
Transfers	—	(216,101)	—	216,101	—
Exercise of convertible note	900,000	(900,000)	—	—	—
Employee share-based payment options	—	—	361,071	—	361,071
Share-based payments	1,585,854	—	—	—	1,585,854
Balance at 31 December 2016	<u>193,769,409</u>	<u>600,000</u>	<u>1,745,995</u>	<u>(164,473,240)</u>	<u>31,642,164</u>

Consolidated	Issued capital \$	Other contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2017	193,769,409	600,000	1,929,338	(170,961,061)	25,337,686
Profit after income tax benefit for the half-year	—	—	—	424,779	424,779
Other comprehensive income for the half-year, net of tax	—	—	96,366	—	96,366
Total comprehensive income for the half-year	—	—	96,366	424,779	521,145
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	29,600	—	19,594	—	49,194
Extinguishment of convertible note (Note 21)	—	(136,000)	—	—	(136,000)
Cancellation of share capital under Section 258F of the Corporations Act	(162,223,185)	—	—	162,223,185	—
Balance at 31 December 2017	<u>31,575,824</u>	<u>464,000</u>	<u>2,045,298</u>	<u>(8,313,097)</u>	<u>25,772,025</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes



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Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Statement of cash flows
For the half-year ended 31 December 2017



	Note	Consolidated	
		Dec 2017	Dec 2016
		\$	\$
Cash flows from operating activities			
Profit/(loss) before income tax benefit for the half-year		424,779	(4,182,556)
Adjustments for:			
Depreciation, amortization and impairment		1,144,930	554,120
Share-based payments		49,194	403,071
Foreign exchange differences		(36,845)	1,104
Gain on legal settlement (non-cash)		(7,834,592)	—
Interest accrued		—	298
		<u>(6,252,534)</u>	<u>(3,223,963)</u>
Change in operating assets and liabilities:			
Increase in trade and other receivables		(1,276,824)	(4,516,986)
Increase in prepayments		(1,809,355)	(882,993)
Increase in other operating assets		—	(94,891)
Increase in trade and other payables		815,294	1,068,678
Increase in employee benefits		11,332	21,022
Increase in other provisions		6,705	8,585
Increase in unearned revenue		142,815	—
Decrease in deferred tax liability		(143,736)	(65,037)
Increase in contingent consideration		649,857	—
Net cash used in operating activities		<u>(7,856,446)</u>	<u>(7,685,585)</u>
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		—	(7,097,152)
Payments for property, plant and equipment	10	(9,185)	(9,328)
Payments for intangibles	11	—	(8,445)
Net cash used in investing activities		<u>(9,185)</u>	<u>(7,114,925)</u>
Cash flows from financing activities			
Share issue transaction costs		—	(17,662)
Net cash used in financing activities		<u>—</u>	<u>(17,662)</u>
Net decrease in cash and cash equivalents		(7,865,631)	(14,818,172)
Cash and cash equivalents at the beginning of the financial half-year		14,454,784	33,453,140
Effects of exchange rate changes on cash and cash equivalents		51,920	(35,333)
Cash and cash equivalents at the end of the financial half-year		<u>6,641,073</u>	<u>18,599,635</u>

The above statement of cash flows should be read in conjunction with the accompanying notes



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Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Notes to the financial statements
31 December 2017



Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Estimates

When preparing the half-year financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the half-year financial statements, including key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2017.

Research and Development Tax Rebate Reliable Estimate

The R&D Tax Incentive is a government run program which helps to offset some of the costs of R&D. Annually, the consolidated entity claims a refundable tax offset and has disclosed this as other income in the statement of profit or loss and other comprehensive income. The group accounts for the R&D Tax Incentive when a reliable estimate of the amounts receivable can be made.

The Research and Development rebate accrual of \$1,021,996 for the reporting period has been accrued based on the methodology used for the annual R&D tax rebate claim.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going Concern

As at 31 December 2017 the consolidated entity had cash in hand and at bank of \$6,641,073. The consolidated entity had net cash outflows from operating activities of \$7,856,446 for the six months ended 31 December 2017.

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of business. As is often the case with drug development companies, the ability of the consolidated entity to continue its development activities as a going concern is dependent upon it deriving sufficient cash from investors, from licensing and partnering activities and from other sources of revenue such as grant funding.

The directors have considered the cash flow forecasts and the funding requirements of the business and are confident that the strategies in place are appropriate to generate sufficient funding to allow the consolidated entity to continue as a going concern.

Accordingly the directors have prepared the financial statements on a going concern basis. Should the above assumptions not prove to be appropriate, there is material uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in these financial statements.



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Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Notes to the financial statements
31 December 2017



Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity's operating segment is based on the internal reports that are reviewed and used by the Board of Directors (being the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The information reported to the CODM, on at least a monthly basis, is the consolidated results as shown in the statement of profit or loss and other comprehensive income and statement of financial position.

Note 3. Revenue

	Consolidated	
	Dec 2017	Dec 2016
	\$	\$
Bank interest	<u>66,227</u>	<u>143,255</u>

Note 4. Other income

	Consolidated	
	Dec 2017	Dec 2016
	\$	\$
Net foreign exchange gain	—	8,331
Government grants	—	7,000
Subsidies and grants	361,072	—
Reimbursement of expenses	5,452	7,947
Research and development rebate	1,021,996	4,436,284
Gain on legal settlement (Note 21)	<u>7,984,592</u>	—
Other income	<u>9,373,112</u>	<u>4,459,562</u>



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Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Notes to the financial statements
31 December 2017



Note 5. Expenses

	Consolidated	
	Dec 2017	Dec 2016
	\$	\$
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	187,490	26,065
Property, plant and equipment	15,914	23,771
Total depreciation	203,404	49,836
<i>Amortisation</i>		
Patents and intellectual property	249,907	501,843
Software	2,139	2,441
GDC licensing agreement	546,629	—
Total amortisation	798,675	504,284
Total depreciation and amortisation	1,002,079	554,120
<i>Impairment</i>		
Leasehold improvements	142,851	—
<i>Finance costs</i>		
Unwinding of the discount on contingent consideration	649,855	—
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	215,742	157,774
<i>Superannuation expense</i>		
Defined contribution superannuation expense	118,701	138,324

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	Dec 2017	Jun 2017
	\$	\$
Cash at bank and on hand	3,641,073	8,454,784
Short-term deposits	3,000,000	6,000,000
	6,641,073	14,454,784



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Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Notes to the financial statements
31 December 2017



Note 7. Current assets - trade and other receivables

	Consolidated	
	Dec 2017	Jun 2017
	\$	\$
Trade receivables	202,272	231,065
R&D tax rebate receivable	4,995,048	3,973,052
Less: Provision for impairment of receivables	—	(225,998)
	<u>5,197,320</u>	<u>3,978,119</u>
GST refundable	138,002	77,207
Deposit paid	586,862	578,657
Provision for impairment of deposit paid	(382,848)	(371,471)
	<u>5,539,336</u>	<u>4,262,512</u>

Note 8. Current assets - Prepayments

	Consolidated	
	Dec 2017	Jun 2017
	\$	\$
Prepayments	<u>2,567,437</u>	<u>758,082</u>

Note 9. Non-current assets - Financial assets

	Consolidated	
	Dec 2017	Jun 2017
	\$	\$
Available-for-sale shares held at fair value through OCI (Note 21)	6,027,241	21,803
Share options held at fair value through P&L (Note 21)	<u>1,770,001</u>	—
	<u>7,797,242</u>	<u>21,803</u>

Note 10. Non-current assets - property, plant and equipment

	Consolidated	
	Dec 2017	Jun 2017
	\$	\$
Leasehold improvements - at cost	472,759	466,054
Less: Accumulated depreciation	(269,930)	(82,440)
Less: Impairment	(142,851)	—
	<u>59,978</u>	<u>383,614</u>
Plant and equipment - at cost	191,356	201,296
Less: Accumulated depreciation	(104,132)	(95,305)
	<u>87,224</u>	<u>105,991</u>
	<u>147,202</u>	<u>489,605</u>



Kazia Therapeutics Limited
 (Formerly known as Novogen Limited)
 Notes to the financial statements
 31 December 2017



Note 10. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Leasehold Improvement \$	Plant and equipment \$	Total \$
Balance at 1 July 2017	383,614	105,991	489,605
Additions	6,705	2,480	9,185
Disposals	—	(5,333)	(5,333)
Impairment of assets	(142,851)	—	(142,851)
Depreciation expense	(187,490)	(15,914)	(203,404)
Balance at 31 December 2017	<u>59,978</u>	<u>87,224</u>	<u>147,202</u>

Note 11. Non-current assets - intangibles

	Consolidated	
	Dec 2017 \$	Jun 2017 \$
Patents and trademarks - at cost	2,850,518	2,850,518
Less: Accumulated amortisation	<u>(2,850,518)</u>	<u>(2,600,611)</u>
	—	249,907
Software - at cost	11,070	11,070
Less: Accumulated amortisation	<u>(7,937)</u>	<u>(5,798)</u>
	3,133	5,272
Licensing agreement - at acquired fair value	16,407,788	16,407,788
Less: Accumulated amortisation	<u>(1,291,242)</u>	<u>(744,613)</u>
	15,116,546	15,663,175
	<u>15,119,679</u>	<u>15,918,354</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Software \$	Patents and intellectual property \$	GDC licensing agreement \$	Total \$
Balance at 1 July 2017	5,272	249,907	15,663,175	15,918,354
Amortisation expense	(2,139)	(249,907)	(546,629)	(798,675)
Balance at 31 December 2017	<u>3,133</u>	<u>—</u>	<u>15,116,546</u>	<u>15,119,679</u>



Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Notes to the financial statements
31 December 2017



Note 12. Non-current liabilities - deferred tax

	Consolidated	
	Dec 2017	Jun 2017
	\$	\$
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Intangible assets	4,170,699	4,314,435
Deferred tax liability	4,170,699	4,314,435
Amount expected to be settled within 12 months	275,630	285,129
Amount expected to be settled after more than 12 months	3,895,069	4,029,306
	<u>4,170,699</u>	<u>4,314,435</u>
<i>Movements:</i>		
Opening balance	4,314,435	—
Credited to profit or loss	(143,736)	(197,707)
Additions through business combinations	—	4,512,142
Closing balance	<u>4,170,699</u>	<u>4,314,435</u>

Note 13. Equity - contributed equity

	Dec 2017	Consolidated		Jun 2017
	Shares	Jun 2017	Dec 2017	Jun 2017
		Shares	\$	\$
Ordinary shares - fully paid	48,409,621	483,287,914	31,575,824	193,769,409

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2017	483,287,914		193,769,409
Share consolidation- Note 1	17 November 2017	(434,958,293)	\$ 0.000	—
Issue of shares - Note 2	30 November 2017	80,000	\$ 0.000	29,600
Cancellation of share capital - Note 3	31 December 2017	—	\$ 0.000	(162,223,185)
Balance	31 December 2017	<u>48,409,621</u>		<u>31,575,824</u>

Note 1 - Share consolidation 10 to 1, which was approved by shareholders at the Annual General Meeting on 15 November 2017

Note 2 - Shares issued to the Company's Scientific Advisory Board in return for services

Note 3 - Section 258F of the Corporations Act allows a company to reduce its share capital by cancelling any paid-up share capital that is lost or is not represented by available assets. Given the long history of the consolidated entity and changes in the principal activity in recent years, the Directors believe that \$162,223,185 of the parent entity's share capital satisfies the criteria in Section 258F of the Corporations Act and accordingly this amount of the ordinary share capital has been cancelled.

Share buy-back

There is no current on-market share buy-back.



Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Notes to the financial statements
31 December 2017



Note 14. Equity - Other contributed equity

	Consolidated	
	Dec 2017	Jun 2017
	\$	\$
Convertible loan note - Triaxial	464,000	600,000

On 4 December 2014, the consolidated entity and the convertible note holder ('Triaxial') signed a Convertible Note Deed Poll ('Deed') which superseded the precedent Loan Agreement between Triaxial shareholders and the consolidated entity. The Deed extinguishes the liability created by the Loan Agreement, which previously allowed for a cash settlement and now allows Triaxial to convert their debt into ordinary shares, providing that the company achieves defined milestones established in the schedule of the Deed. Accordingly, the convertible note has been classified as an equity instrument rather than debt instrument.

The remaining portion of the convertible note may be exercised on completion of a Phase II clinical trial or achieving Breakthrough Designation. Completion will be deemed to occur upon receipt by the consolidated entity of a signed study report or notification of the designation. There is a possibility for an early conversion of the convertible note if a third party acquires more than 50% of the issued share capital of the consolidated entity.

During the half year ended 31 December 2017, a portion of the convertible notes was extinguished (Note 21). The remaining convertible note at period end represents 1,856,000 ordinary shares in the consolidated entity and \$464,000.

Note 15. Equity - reserves

	Consolidated	
	Dec 2017	Jun 2017
	\$	\$
Available-for-sale reserve	40,022	(36,824)
Foreign currency reserve	(91,830)	(111,350)
Share-based payments reserve	2,097,106	2,077,512
	<u>2,045,298</u>	<u>1,929,338</u>

Share based payments reserve for Employee Share Option Plan

During the half year the company issued 261,500 options to employees of the Company pursuant to the Company's Employee Share Option Plan, which was re-approved by the Shareholders on 15 November 2017.

Note 16. Equity - accumulated losses

	Consolidated	
	Dec 2017	Jun 2017
	\$	\$
Accumulated losses at the beginning of the financial half-year	(170,961,061)	(160,506,785)
Profit/(loss) after income tax benefit for the half-year	424,779	(10,670,377)
Transfer from other contributed equity	—	216,101
Reduction of share capital (Note 14)	162,223,185	—
Accumulated losses at the end of the financial half-year	<u>(8,313,097)</u>	<u>(170,961,061)</u>

Note 17. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.



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Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Notes to the financial statements
31 December 2017



Note 18. Events after the reporting period

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 19. Earnings per share

	Consolidated	
	Dec 2017 \$	Dec 2016 \$
Profit/(loss) after income tax attributable to the owners of Kazia Therapeutics Limited	424,779	(4,182,556)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	48,343,969	45,263,175
Weighted average number of ordinary shares used in calculating diluted earnings per share	48,343,969	45,263,175
	Cents	Cents
Basic earnings per share	0.879	(9.24)
Diluted earnings per share	0.879	(9.24)

1,856,000 unlisted convertible notes with a face value of \$464,000, 4,582,432 unlisted options and 3,148,400 listed options have been excluded from the above calculations as they were antidilutive.

Note 20. Share-based payments

Employee share options

During the half year ended 31 December 2017, 261,500 options have been issued to the employees during the year by the consolidated entity pursuant to the Company's Employee Share Option Plan.

- Tranche 12 of 224,000 options vesting equally over 4 years
- Tranche 13 of 37,500 options vesting equally over 4 years

Note 21. Settlement of legal proceedings

On 22 December 2017 the consolidated entity reached an agreement with another ASX listed company, Noxopharm Limited, in relation to that company's key asset, NOX66. Under this agreement, the consolidated entity has released Noxopharm Limited from any claims of ownership it believes it may have had of NOX66 or the IP and technology that underpins it. In return, the consolidated entity has received the following:

- 5,317,123 ordinary shares in Noxopharm Limited, held under voluntary escrow until 14 June 2018 (value at date of settlement: \$5,928,592)
- 3,000,000 unlisted options in Noxopharm Limited, with an exercise price of \$0.80, expiring 18 January 2020, unable to be exercised prior to 18 July 2018 (value at date of settlement: \$1,770,000)
- extinguishment of certain convertible notes (book value: \$136,000)
- a cash payment of \$165,000 (including GST) from Noxopharm Limited

These items have been reflected in the half year report.



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Kazia Therapeutics Limited
(Formerly known as Novogen Limited)
Directors' declaration
31 December 2017



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

/s/ Iain Ross

Iain Ross
Chairman

21 February 2018
Sydney