

ASX RELEASE
31 October 2023

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

Sydney, 31 October 2023 – Kazia Therapeutics Limited (NASDAQ: KZIA; ASX: KZA), an oncology-focused drug development company, is pleased to provide an update on the ongoing development of its product candidates for the quarter ended 30 September 2023.

Key Points

- In July 2023, the US FDA granted Fast Track Designation to paxalisib for the treatment of solid tumor brain metastases harboring PI3K pathway mutations in combination with radiation therapy
- In August 2023, Dr. John Friend joined the Kazia Board of Directors as Managing Director
- In August 2023, Mr. Iain Ross resigned as Non-Executive Chairman, with Dr. Friend assuming the role as Interim Chairman
- In September 2023 Kazia announced that data from the ongoing phase II study (PNOC022, NCT05009992) was awarded a late breaking oral presentation at the 2023 Society for Neuro-Oncology (SNO) Annual Meeting.
- In October 2023 (post quarter) Kazia announced its intention to voluntarily de-list from the Australian Securities Exchange (ASX)

Kazia CEO, Dr John Friend, commented:

“The September quarter has been one of solidification, with the Kazia team working tirelessly to develop and execute a strategic plan that would best position to deliver on our clinical development plans for our two drug candidates, paxalisib and EVT801. This ultimately resulted in our decision to de-list from the ASX to focus on NASDAQ, the largest biotechnology equity market in the world, while significantly reducing operating costs and administrative burden.”

“On the clinical program front, we were pleased to receive Fast Track Designation status by the US FDA for paxalisib for the treatment of solid tumor brain metastases harboring PI3K pathway mutations in combination with radiation therapy. Being awarded this designation highlights the need for new treatments in brain metastases and provides Kazia with enhanced access to FDA throughout the remaining clinical development of paxalisib.”

Leadership transitions

Dr John Friend, Chief Executive Officer of Kazia, joined the Kazia Board of Directors as Managing Director. He was also appointed as Interim Chairman following the resignation of Mr. Iain Ross as Chairman and Non-Executive Director in August 2023 who had been in that position since 2017.

Paxalisib awarded Fast Track Designation

During the quarter Kazia was pleased to announce that its lead drug candidate, paxalisib, had been awarded Fast Track Designation (FTD) by the United States Food and Drug Administration (FDA) for the treatment of solid tumor brain metastases harboring PI3K pathway mutations in combination with radiation therapy. The FDA's decision to grant FTD was based on promising clinical data from an interim analysis of an ongoing Phase 1 clinical trial in which patients with brain metastases from a primary tumour are receiving paxalisib in combination with radiotherapy.

SNO Presentation

Kazia was pleased to announce that data from an ongoing Phase II study of paxalisib, sponsored by the Pacific Pediatric Neuro-Oncology Consortium (PNOC), was awarded a late breaking oral presentation at the 2023 Society for Neuro-Oncology (SNO) Annual Meeting. The 28th Annual Meeting will take place from November 15 - 19, 2023 in Vancouver, Canada.

ESMO Presentation

Post quarter, on October 24 2023, a poster presentation featuring clinical data from Kazia's ongoing Phase 1 clinical trial evaluating EVT801 in patients with advanced solid tumours was presented at the European Society of Medical Oncology Congress 2023 (ESMO 2023). The data showed a positive correlation between VEGFR-3 expression and hypoxia and PD1 resistance signature and a negative correlation with CD8 positive T-cell infiltration. The company is excited and encouraged by this recent data and looks forward to completing dose escalation in stage 1 of the ongoing study and progressing to stage 2 of the Phase 1 Study.

Financial Position

Kazia closed the quarter to 30 September 2023 with a cash balance on hand of AU\$3.3 million, versus AU\$5.2 million in the previous quarter. Payments totaling AU\$640,524 were made to related parties and comprised of director's fees, salaries, superannuation, and travel reimbursement. These payments include the termination payment for James Garner.

In early July 2023, Kazia judiciously utilized its ATM facility to raise AU\$1.481M and shares were issued at a premium in the range of 50% - 69% to the AU\$0.11 price per share in February 2023 Australian financing. The ATM allows the company to raise capital dynamically in the market, with no discount, no warrant coverage, and modest banking fees, allowing it to fund operations with minimal dilution to existing shareholders.

Delisting from ASX

In October (post quarter), Kazia announced its intention to de-list from the Australian Securities Exchange (ASX). The Board determined that the costs, administrative burden and commercial disadvantages of remaining listed on ASX outweighed any benefits of a continued ASX listing. Following the Delisting, Kazia will maintain its listing on the NASDAQ and the fully paid ordinary shares in the Company will no longer be quoted on the ASX. Further details regarding the Delisting can be found here: <https://www.kaziatherapeutics.com/site/for-investors/delisting-from-asx>

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Kazia Therapeutics Limited

ABN

37 063 259 754

Quarter ended ("current quarter")

September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(1,249)	(1,249)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(791)	(791)
(f) administration and corporate costs	(1,430)	(1,430)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(3,470)	(3,470)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property (milestone payment for EVT801)		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(g) entities		
	(h) businesses		
	(i) property, plant and equipment		
	(j) investments		
	(k) intellectual property		
	(l) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,481	1,481
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	1,481	1,481

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,241	5,241
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,470)	(3,470)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,481	1,481

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	101	101
4.6	Cash and cash equivalents at end of period	3,353	3,353

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,353	3,353
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,353	3,353

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – director's fees, salaries, superannuation and travel reimbursement.	641
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<div style="border: 1px solid black; height: 100px; width: 100%;"></div>			

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,470)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,353
8.3 Unused finance facilities available at quarter end (item 7.5)	
8.4 Total available funding (item 8.2 + item 8.3)	3,353
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.0
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The company is in ongoing discussions with potential investors and partners and, in the meantime, plans to continue to utilise its (ATM) facility with Oppenheimer & Co to provide additional funding from time to time. The company is in the process of delisting from the ASX.	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes, as described in the answer to 8.6.2 above.	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2023.....

Authorised by:Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If

it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.