ASX RELEASE

1 October 2020

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# KAZIA INVESTOR PRESENTATION

**Sydney, 1 October 2020** – Kazia Therapeutics Limited (ASX: KZA; NASDAQ: KZIA), an Australian oncology-focused biotechnology company, is pleased to provide a copy of its most recent investor presentation.

[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 paxalisib (formerly GDC-0084), a small molecule inhibitor of the PI3K / AKT / mTOR pathway, which is being developed to treat glioblastoma, the most common and most aggressive form of primary brain cancer in adults. Licensed from Genentech in late 2016, paxalisib entered a phase II clinical trial in 2018. Interim data was reported most recently at AACR in June 2020, and further data is expected in 2H 2020. Five additional studies are ongoing in other forms of brain cancer. Paxalisib was granted Orphan Drug Designation for glioblastoma by the US FDA in February 2018, and Fast Track Designation for glioblastoma by the US FDA in August 2020. In addition, paxalisib was granted Rare Pediatric Disease Designation and Orphan Designation by the US FDA for DIPG in August 2020.

TRX-E-002-1 (Cantrixil), is a third-generation benzopyran molecule with activity against cancer stem cells and is being developed to treat ovarian cancer. TRX-E-002-1 has completed a phase I clinical trial in Australia and the United States with the final data expected in the second half of calendar 2020. Interim data was presented most recently at the AACR conference in June 2020. Cantrixil was granted orphan designation for ovarian cancer by the US FDA in April 2015.

This document was authorized for release to the ASX by James Garner, Chief Executive Officer, Managing Director.

KAZIA THERAPEUTICS

# Non-Renounceable Entitlement Offer to Shareholders

## Investor Presentation

1 October 2020

# Corporate Overview



| | |
|---|---|
| **Company Description** | Oncology-focused, mid-clinical-stage, small-molecule biotechnology company, headquartered in Sydney, Australia |
| **Pipeline** | **Paxalisib** – brain-penetrant PI3K / mTOR inhibitor about to enter international phase III for glioblastoma<br>**Cantrixil** – cancer stem cell-targeting agent in phase I for ovarian cancer |
| **Financials** | Listed on ASX (KZA) and NASDAQ (KZIA) with a market capitalization of ~AU$ 90 million<br>Current assets at 30 Jun 2020 of AU$ 10.7 million |

# Chairman's Introduction



**Iain Ross**
Chairman of the Board

**Dear Fellow Shareholders,**

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

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

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

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

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

Yours sincerely,

# Overview of the Offer



| | |
|---|---|
| **OFFER STRUCTURE** | A1 for 3 accelerated pro-rata non-renounceable entitlement offer to raise approximately A$25 million (**Entitlement Offer**) via the issue of approximately 31.5 million new ordinary shares (**New Shares**). |
| **OFFER PRICE** | All New Shares under the Entitlement Offer will be issued at A$0.80 per New Share (**Offer Price**), representing:<br>▪ 16.7% discount to last closing price of A$0.96 per share on 29 September 2020;<br>▪ 13.0% discount to TERP of A$0.92 per share[1] |
| **DIRECTOR AND SHAREHOLDER COMMITMENTS** | All KZA Directors have confirmed their intention to participate (either fully or in part) in the Entitlement Offer. |
| **RETAIL ENTITLEMENT OFFER** | ▪ Retail Entitlement Offer to existing eligible retail shareholders<br>▪ The Retail Entitlement Offer will open on Thursday 8 October 2020 and close at 5:00pm on Tuesday 20 October 2020 |
| **LEAD MANAGER** | The Entitlement Offer is led by Bell Potter Securities Limited |
| **RANKING** | All New Shares issued will rank pari passu with existing ordinary shares on issue |
| **RECORD DATE** | 7:00pm (Sydney time) Monday 5 October 2020 |

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

# Use of Funds

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

| | |
|---|---|
| **Timing of Deployment** | • Kazia anticipates execution of a definitive agreement to operationalise GBM AGILE in October 2020, and will begin deployment of funds immediately thereafter<br>• Funds will continue to be deployed over the course of the GBM AGILE study, in accordance with an agreed schedule of payments |
| **Anticipated Outcome** | • Kazia expects GBM AGILE to serve as the definitive clinical study for regulatory approval of paxalisib in the United States and other key markets |
| **Strategic Implications** | • Kazia will become a late-stage clinical company, with a high-value asset in a pivotal study for registration<br>• The company will emerge well-funded to execute the study, with little exposure to future capital market volatility<br>• Progression to phase III is consist with the company's declared strategy of expediting the advancement of paxalisib towards a commercial product<br>• Significant opportunity for value creation as further positive clinical data is generated; cashflow will likely follow a partnering transaction for paxalisib |

# Investment Rationale



**World-Class Asset in Brain Cancer**

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

**Clear Path to Commercialisation**

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

**Strong Corporate Story Post-Transaction**

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

# Entitlement Offer Timetable



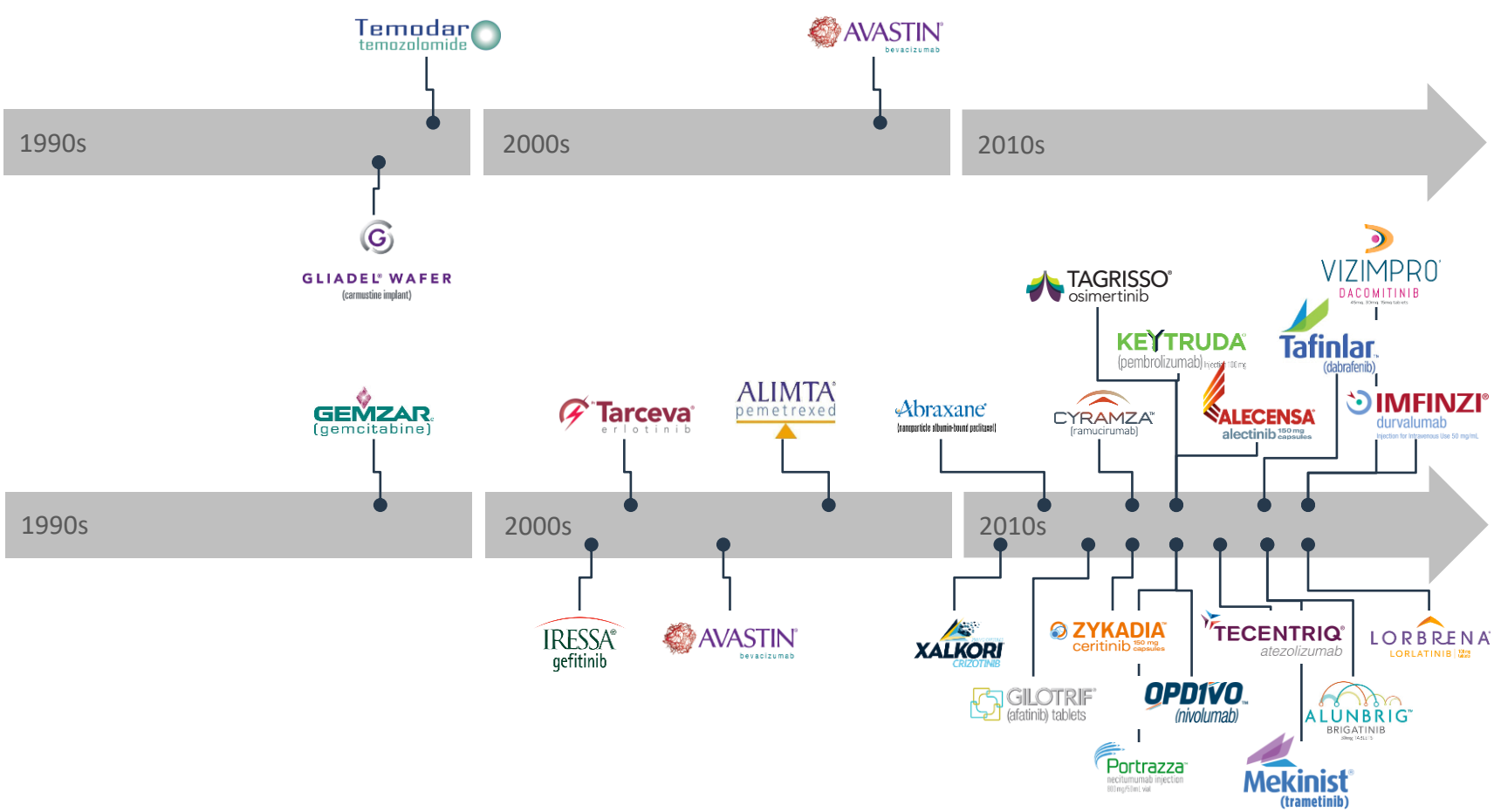
| | |
|---|---|
| KZA placed in trading halt on ASX | Wednesday 30 September 2020 |
| Institutional Entitlement Offer opens | Thursday 1 October 2020 |
| Institutional Entitlement Offer closes | Thursday 1 October 2020 |
| Trading halt lifted – shares recommence trading on ASX on an "ex-entitlement" basis | Friday 2 October 2020 |
| Record Date for determining entitlement to subscribe for New Shares (7pm Sydney time) | Monday 5 October 2020 |
| Retail Entitlement Offer Booklet despatched and Retail Entitlement Offer opens | Thursday 8 October 2020 |
| Settlement of Institutional Entitlement Offer | Friday 9 October 2020 |
| Allotment and normal trading of New Shares under the Institutional Entitlement Offer | Monday 12 October 2020 |
| Retail Entitlement Offer closes | Tuesday 20 October 2020 |
| Settlement of Retail Entitlement Offer | Monday 26 October 2020 |
| Allotment of New Shares under the Retail Entitlement Offer | Tuesday 27 October 2020 |
| Despatch of holding statements | Wednesday 28 October 2020 |

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

# Program Overview

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





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



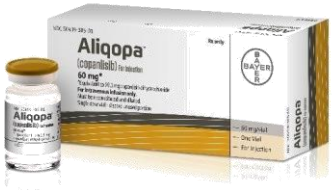
| Challenge | Approach |
|---|---|
| **Blood-Brain Barrier**<br>Most cancer therapies do not penetrate the BBB | **Brain-Penetration**<br>GDC-0084 is designed to cross the blood-brain barrier |
| **Tumour Heterogeneity**<br>Brain tumours exhibit a wide range of genetic aberrations | **Rational Target Selection**<br>PI3K pathway is affected in 85-90% of GBM cases and many brain mets |
| **Toxicity**<br>Some PI3K inhibitors have shown evidence of significant toxicity | **Favourable Safety Profile**<br>No evidence of GI, blood, renal, or CNS toxicities |
| **Treatment Resistance Mechanisms**<br>Tumour rapidly develops resistance to single agent treatment approaches | **Multiple Pharmacological Activities**<br>GDC-0084 active against all PI3K isoforms and also mTOR |
| **Clinical Population**<br>GBM patients with recurrent disease often have significant morbidity | **Newly-Diagnosed Patients**<br>Lead indication for GDC-0084 is first-line use in GBM |

## Commercially Attractive

- Composition of matter patents through to 2031 in most jurisdictions
- Straightforward chemical synthesis; highly stable API; inexpensive manufacture
- 15mg capsule presentation for once-daily oral administration
- Limited toxicities and drug interactions
- Toxicology and CMC packages already largely sufficient for registration

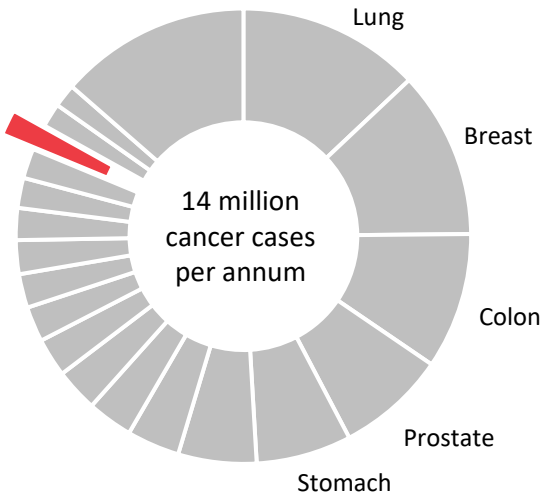
# The PI3K class is well-established, but paxalisib is unique in its ability to cross the blood-brain barrier



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

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






**Glioblastoma Multiforme**

133,000 cases per annum worldwide

Indicative Market Opportunity

**US$ 1.5 billion**

**No clear cause**

or strong risk factors

**3-4 months**

untreated survival

**12-15 months**

average survival with treatment

Any age, but most common in

**60s**

Five-year survival

**3 – 5%**

(breast cancer: 90%)

Sen. John McCain
*US politician*

Matt Price
*ABC journalist*

Stan Zemanek
*Media personality*

Andrew Olle
*ABC journalist*

Chris O'Brien, AO
*Surgeon*



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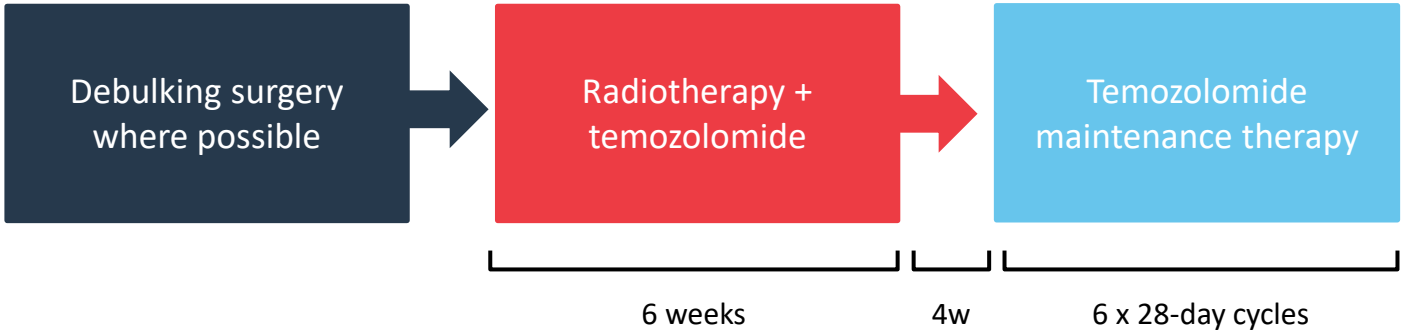
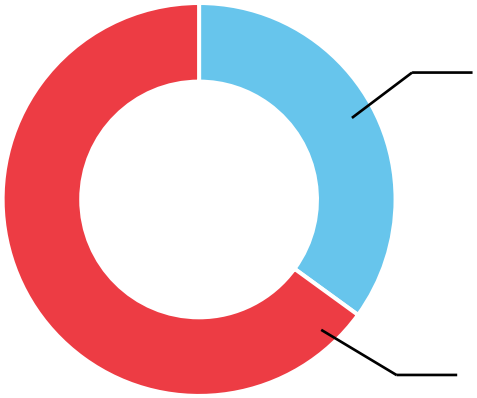
# Temozolomide is only FDA-approved drug for GBM; it is ineffective in ~65% of cases



*Standard of Care ('Stupp Regimen')*



**~35% of patients respond to temozolomide**

*Extends overall survival from 15 to 22 months*

**~65% of patients don't respond to temozolomide**

*Extends overall survival from 12 to 13 months*

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

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

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

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

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



- Newly-diagnosed patients with the unmethylated MGMT promotor (i.e. resistant to temozolomide)
- Paxalisib administered once daily, orally, as monotherapy in place of temozolomide
- Primary objective is dose determination (Step 1) and signals of efficacy (Step 2)

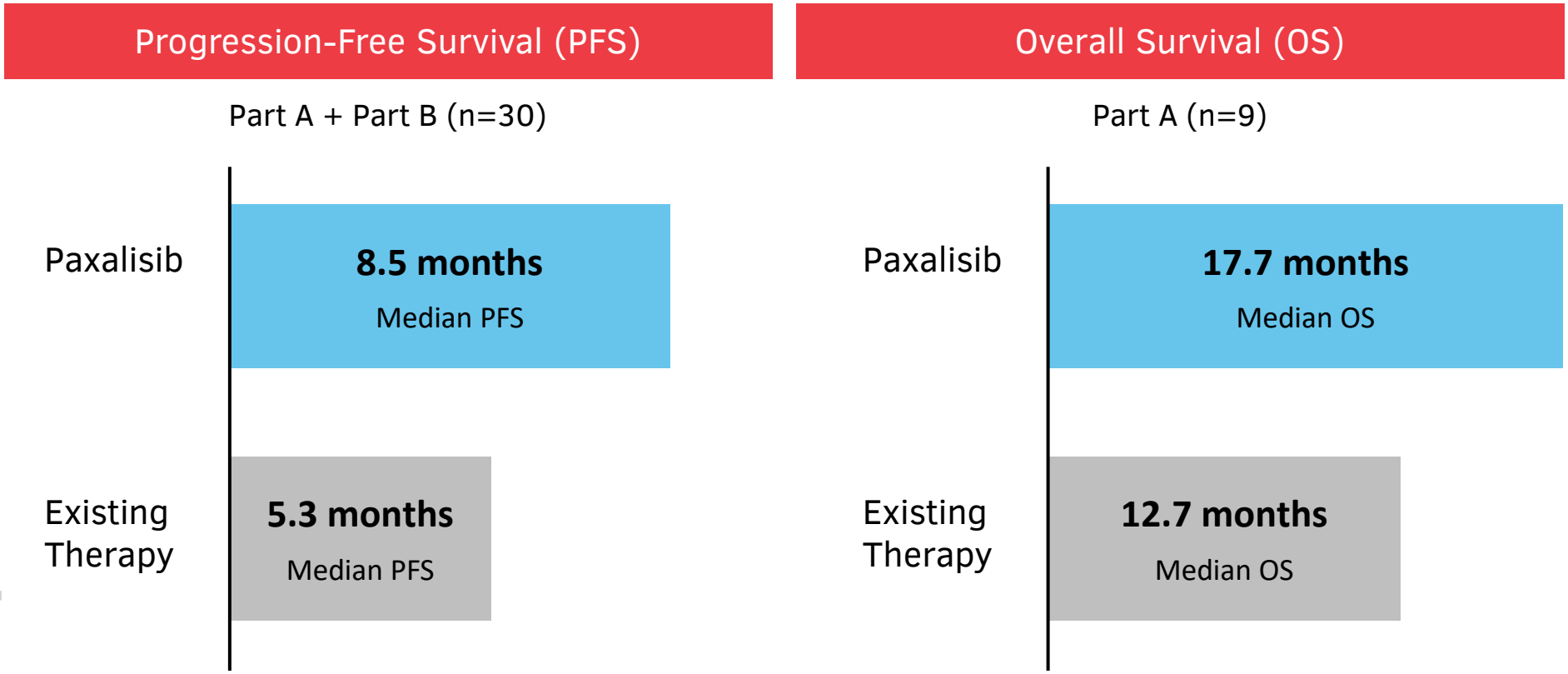
| *Step 1:* Dose Optimisation | *Step 2:* Expansion Cohort |
|---|---|
| **9 patients**<br>September 2018 – May 2019 | **21 patients**<br>June 2019 – February 2020 |
| Primary objective is to determine the appropriate dose for newly-diagnosed patients (phase 1 was in end-stage patients) | Primary objective is to generate supportive data for FDA and to provide confirmatory signals of efficacy in newly-diagnosed population |
| **Fully-Recruited** ✓<br>• Top-line safety data: May 2019<br>• Interim efficacy data: Nov 2019<br>• Interim survival data: Apr 2020 | **Fully-Recruited** ✓<br>• Interim efficacy data: Apr 2020<br>• Interim efficacy data: Jun 2020 |

DANA-FARBER CANCER INSTITUTE · UCLA University of California, Los Angeles · THE UNIVERSITY OF TEXAS MD Anderson Cancer Center Making Cancer History® · MGH 1811 MASSACHUSETTS GENERAL HOSPITAL · Stephenson CANCER CENTER the UNIVERSITY of OKLAHOMA · John Theurer Cancer Center at Hackensack University Medical Center · University of Colorado Cancer Center

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

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






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

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



**Paxalisib (GDC-0084)**

## Primary Brain Cancer
(brain cancer that begins in the brain)

### Glioblastoma
*Most common and most aggressive brain tumour*

**Phase II**

NCT03522298

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### Glioblastoma
*(planned pivotal study for approval [in set-up])*

**Phase II / III**

NCT03970447

GLOBAL COALITION FOR ADAPTIVE RESEARCH

### DIPG
*Highly aggressive childhood brain tumour*

**Phase I**

NCT03696355

St. Jude Children's Research Hospital

### Primary CNS Lymphoma
*Treatment-resistant brain cancer*

**Phase II**

TBD

DANA-FARBER CANCER INSTITUTE

## Secondary Brain Cancer
(brain cancer that spreads from elsewhere in the body)

### Brain Metastases
*Cancer that has spread from any primary tumour*

**Phase II**

NCT03994796

NIH NATIONAL CANCER INSTITUTE

### Breast Cancer Brain Mets
*(combination with Herceptin®)*

**Phase II**

NCT03765983

DANA-FARBER CANCER INSTITUTE

### Brain Metastases
*(combination with radiotherapy)*

**Phase I**

NCT04192981

Memorial Sloan Kettering Cancer Center

*Funded by Kazia*

*Funded Primarily Through Partnerships and External Funding*

# GBM AGILE is the planned pivotal study for paxalisib in glioblastoma



## What is GBM AGILE?

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

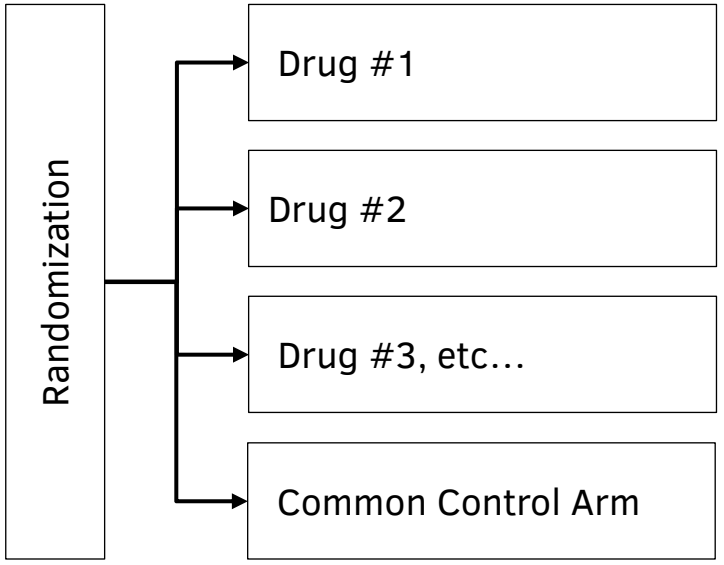
## Who is Behind It?

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

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

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

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




1 *Adaptive study design limits number of subjects to that required to demonstrate efficacy, eliminating redundancy*

2 *Comparison against a common control arm reduces overall subject numbers, saving time and cost (no drug vs. drug comparison)*

3 *Economies of scale due to multiple participating drugs allows for large site pool, robust study infrastructure, and reduced cost*

4 *Primary endpoint is overall survival (OS), the 'gold standard' for approval of new cancer drugs*

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



| Challenge | Approach |
|---|---|
| **Limited Funding**<br>Many biotech companies cannot afford world-class phase III studies | **More Cost-Effective Approach**<br>AGILE achieves huge efficiencies, and is partly grant-funded |
| **Long Study Timelines**<br>Phase III studies can sometimes take many years to deliver a result | **Adaptive Study Design**<br>AGILE is an 'adaptive' study, only recruiting the patients needed |
| **Regulatory Uncertainty**<br>Small biotechs can struggle to get regulatory support for study design | **Strong FDA Endorsement**<br>FDA has provided written backing to the GBM AGILE study design |
| **Clinician Engagement**<br>Competition for top hospitals and clinicians can be intense | **Top-Tier Clinical Leadership**<br>Many of the world-leading experts in this disease are part of GBM AGILE |
| **Execution Risk**<br>Small companies can struggle to operationalise a complex trial | **Live Study**<br>GBM AGILE is already underway, recruiting well, and run by IQVIA |

## Indicative Parameters

- Primary patient population essentially identical to Kazia's successful phase II study
- Recruitment of up to 200 patients on paxalisib (but likely fewer due to adaptive design)
- Approximately equivalent number of patients in control group, making for a ~400 patient dataset
- Approximately 2-3 years to completion
- Approximately one-third cost of a comparable company-sponsored study

# Recent regulatory achievements position paxalisib well as it moves towards commercialisation



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

**Advantages to Kazia**

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

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



## Path to Market

**Glioblastoma**

**12,500**

**patients p.a. in the US**

**~$1.5B+**

**market opportunity**

## Expansion Opportunities

**Brain Metastases (secondary brain cancer)**

**Other Adult Primary Brain Cancers**

**Childhood Brain Cancers**

## 'Blue Sky' Potential

**Other Cancers with Disordered PI3K Pathway**

(*e.g. breast, lung, blood*)

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




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

Note: as at 31 August 2020, unless otherwise noted



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# Key Milestones and Anticipated Newsflow



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

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

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



## Board

**Iain Ross**
Chairman

*Executive and Board roles in pharma and small biotech*

SANDOZ · CELLTECH · Roche · Redx Pharma · SILENCE THERAPEUTICS

**Bryce Carmine**
Deputy Chairman

Lilly

*36 years executive experience in Eli Lilly*

**Steven Coffey**
Non-Executive Director

WAM

*Chartered accountant with extensive governance experience*

**Dr James Garner**
Chief Executive Officer
& Executive Director

*Physician / MBA; Extensive drug development experience*

Takeda · SANOFI · Biogen · BAIN & COMPANY

## Scientific Advisory Board

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

Memorial Sloan Kettering Cancer Center

**Dr Karen Ferrante**
Former Chief Medical Officer at Millennium Pharmaceuticals

Takeda MILLENNIUM THE TAKEDA ONCOLOGY COMPANY

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

UNSW AUSTRALIA

**Professor Alex Matter**
Former Global Head of Oncology Research at Novartis

NOVARTIS PHARMACEUTICALS



KAZIA THERAPEUTICS

# Appendices

# IMPORTANT NOTICE (1/3)

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

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**Forward-looking statements and forecasts**

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

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

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

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

**Summary information**

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

# IMPORTANT NOTICE (2/3)

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

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

**Industry data**

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

**Not an offer**

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

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

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

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

**Not financial product advice**

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

**Investment risk**

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

# IMPORTANT NOTICE (3/3)

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

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

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

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

To the maximum extent permitted by law, the Lead Manager Group expressly disclaims all liabilities in respect of, and makes no representations, regarding, and takes no responsibility for, any part of the Presentation other than references to their names and makes no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of this Presentation or the Offer.
Kazia and the Lead manager Group will have no responsibility and disclaim all liability to the maximum extent permitted by law to persons who trade off-market their entitlement to New Shares before they receive their Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Kazia or the Kazia share registry or otherwise.
Kazia and the Lead Manager Group will have no responsibility and disclaim all liability to the maximum extent permitted by the law to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Kazia or the Kazia share registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are entitled to.

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

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

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

# RISKS OF THE INVESTMENT

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

# RISKS OF THE INVESTMENT

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

# RISKS OF THE INVESTMENT

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

# RISKS OF THE INVESTMENT

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

# INTERNATIONAL OFFER RESTRICTIONS

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

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

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

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

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

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:
- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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

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

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

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

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

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

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

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

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