

Kazia Therapeutics Ltd

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Kazia Therapeutics launches \$25 million capital raise to take glioblastoma candidate paxalisib into pivotal study

Kazia Therapeutics Ltd (ASX:KZA) (NASDAQ:KZIA) (FRA:NV9M) is launching an accelerated non-renounceable entitlement offer to raise around A\$25 million with the aim of taking its glioblastoma treatment drug paxalisib into its pivotal study.

The financing will position Kazia as a late-stage global oncology company with a highly-compelling asset and a well-funded path to market.

Direct path to commercialisation

Kazia chairman Ian Ross said: "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.

"Well funded path to market"

Price: 1.39

Market Cap: \$131.53 m

1 Year Share Price Graph



December 2019 June 2020 November 20

Share Information

Code: KZA

Listing: ASX

52 week High Low
1.78 0.354583

Sector: Pharma & Biotech

Website: www.kaziatherapeutics.com

Company Synopsis:

Kazia Therapeutics (ASX: KZA, NASDAQ: KZIA) pipeline includes two clinical-stage drug development candidates.

action@proactiveinvestors.com.au

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

The oncology-focused biotechnology company is launching an accelerated non-renounceable entitlement offer, in which all eligible shareholders will be able to purchase one new share for every three shares held, at a price of A\$0.80.

Kazia plans to enter into an underwriting agreement in relation to the entitlement offer, which is non-renounceable and will not be tradeable on ASX or transferable.

Major Australian shareholders and all four directors of the company have committed to participate in the offer.

GBM AGILE participation

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

Ross said although the company had "cash at bank to last us well into CY2021", the board was of the view that it was in the best interest to ensure that the company was well-financed for the likely duration of the study before patients were recruited.

"This financial security is especially critical in the context of capital markets that remain highly volatile due to the ongoing COVID pandemic.

"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."

"Inflection point"

Ross added: "This is an inflection point for Kazia. We are about to launch into a pivotal study for paxalisib in glioblastoma, which we expect to place us on a direct path toward commercialisation.

"We invite all eligible shareholders to consider the opportunity to strengthen their position in the company as we embark on this new chapter in the development of paxalisib."

Up to 31,541,123 million new shares are expected to be issued as part of the offer, which will rank equally with existing ordinary shares.

The offer includes an institutional component and a retail component.

Under the institutional offer, eligible institutional shareholders will be invited to participate and this will take place from October 1, 2020.

Entitlements that eligible institutional shareholders do not take up by the close of the institutional offer and entitlements that would otherwise have been offered to ineligible institutional shareholders, will be sold through an institutional shortfall bookbuild at the offer price.

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the retail offer at the same offer price and offer ratio as the institutional offer.

The retail offer will open on October 8, 2020, and close at 5.00pm (Sydney time) on October 20, 2020.

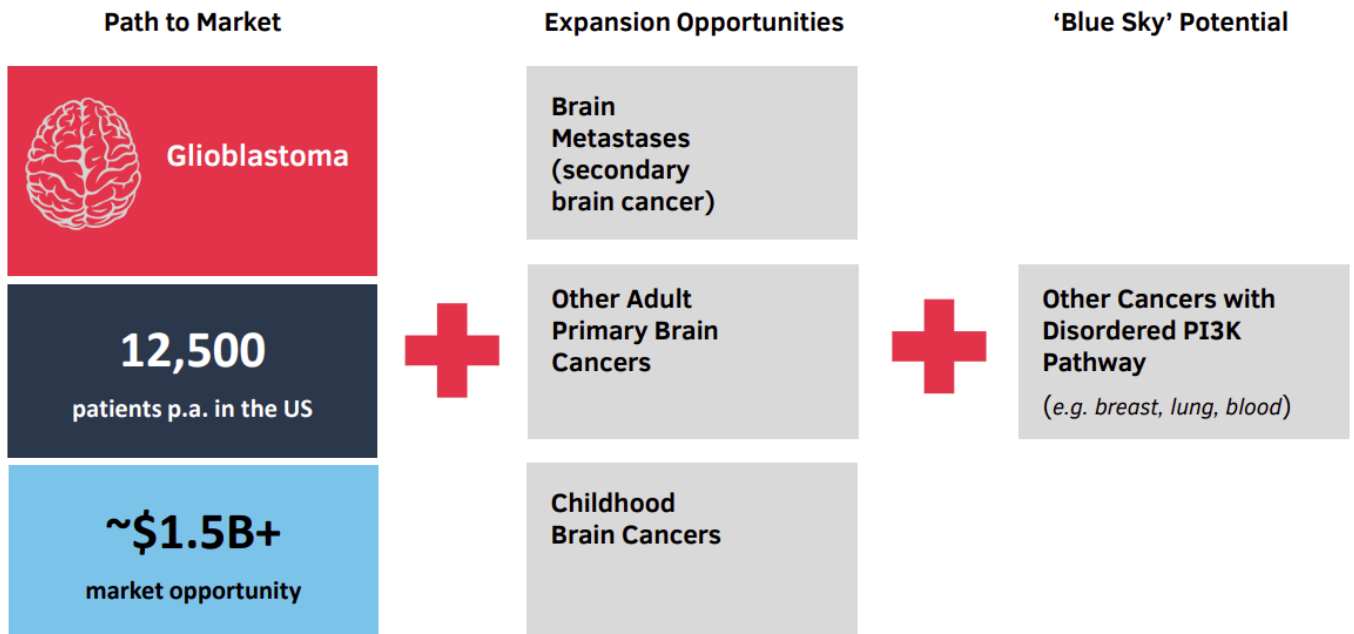
Kazia may consider a top-up facility under which eligible retail shareholders who take up their full entitlement will have the opportunity to apply for additional shares.

Eligible retail shareholders will be sent an information booklet including a personalised entitlement and acceptance form.

Ineligible shareholders will also be notified.

Pivotal study for paxalisib

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



Kazia anticipates execution of a definitive agreement to operationalise GBM AGILE in October 2020 and will begin deployment of funds immediately thereafter.

Funds will continue to be deployed over the course of the GBM AGILE study, in accordance with an agreed schedule of payments

With the study, Kazia will become a late-stage clinical company, with a high-value asset in a pivotal study for registration.

The company noted that there was significant opportunity for value creation as further positive clinical data was generated and that cashflow would likely follow a partnering transaction for paxalisib.

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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