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Kintara Therapeutics, Inc. (KTRA - NASDAQ)

3Q:21 Results

Based on our DCF model and a 15% discount rate, Kintara Therapeutics is valued at approximately $5.25 per share. Our model applies a 60% probability for VAL-083 in unmethylated GBM, a 50% probability in methylated GBM and a 50% probability of approval and commercialization in REM-001 for CMBC. The model includes contributions from the United States and Europe. Other regions will be included upon further clarity.

Current Price (5/18/21)	$1.32
Valuation	**$5.25**

OUTLOOK

Kintara Therapeutics is an oncology-focused R&D company pursuing an indication in GBM with VAL-083 & CMBC with REM-001. The two products were recently joined in a merger by sponsors DelMar Pharmaceuticals and Adgero Biopharmaceuticals.

VAL-083's profile is well-known as it has been assessed in 40+ Ph1 & Ph2 trials sponsored by the NCI. VAL-083 is approved in China for CML and lung cancer and is being investigated in two Ph2 GBM trials in the US and China sponsored by Kintara.

The GCAR study should launch before year-end 2020 and yield Ph3 topline results in 2023. Working with the GCAR AGILE study should accelerate results in recurrent and newly diagnosed methylated and unmethylated patients while limiting total cost.

REM-001 to start a confirmatory trial in 2021 which will subsequently move into a 100-patient Ph3 trial. Trial completion expected by the end of 2023 followed by an NDA filing.

Our valuation assumes a 2025 regulatory approval and subsequent large pharma partner deal for commercialization of VAL-083 and a 2024 approval and deal followed by a launch of REM-001.

SUMMARY DATA

52-Week High	**$3.35**
52-Week Low	**$0.61**
One-Year Return (%)	**85.9**
Beta	**1.47**
Average Daily Volume (sh)	**373,722**
Shares Outstanding (mil)	**32.6**
Market Capitalization ($mil)	**$43.0**
Short Interest Ratio (days)	**1.96**
Institutional Ownership (%)	**6.76**
Insider Ownership (%)	**12.7**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2021 Estimate	**N/A**
P/E using 2022 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small-Growth**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue
(in millions of $US)

	Q1 (Sep)	Q2 (Dec)	Q3 (Mar)	Q4 (Sep)	Year (Jun)
2020	$0.0 A	$0.0 A	$0.0 A	$0.0 A	$0.0 A
2021	$0.0 A	$0.0 A	$0.0 A	$0.0 E	$0.0 E
2022					$0.0 E
2023					$0.0 E

EPS

	Q1 (Sep)	Q2 (Dec)	Q3 (Mar)	Q4 (Sep)	Year (Jun)
2020	-$0.21 A	-$0.15 A	-$0.17 A	-$0.33 A	-$0.87 A
2021	-$1.33 A	-$0.22 A	-$0.23 A	-$0.15 E	-$1.51 E
2022					-$0.73 E
2023					-$0.48 E

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WHAT'S NEW

Third Quarter 2021 Operational and Financial Results

Kintara Therapeutics, Inc. (NASDAQ: KTRA) announced third quarter financial and operational results in a May 14th press release and filed its 10-Q with the SEC for its fiscal third quarter ending March 31, 2020.

Highlights for the first quarter and to-date include:

- Commencement of VAL-083 in GCAR AGILE trial - January 2021
- Final patient enrolled in Phase II of VAL-083 in recurrent GBM - February 2021
- Dr. Mario Lacouture appointed to Scientific Advisory Board - March 2021
- Clinical updates at AACR - April 2021
- Tamara A. Seymour appointed to Board - May 2021

Kintara produced no revenues in 3Q:21 and incurred operating expense of ($6.60) million, yielding net loss attributable to common stockholders of ($6.64) million, or ($0.23) per share.

For the quarter ending March 31, 2021 and versus the year-ago quarter ending March 31, 2020:

- Research & development expense increased 328% to $3.84 million from $0.90 million with the increase attributed to higher clinical development with the commencement of patient recruitment for GCAR AGILE, share-based compensation expense, and personnel expense; additional costs are now being incurred for REM-001 candidate and Adgero research personnel as a result of the merger;
- General & administrative expense increased 156% to $2.76 million from $1.08 million on increased share-based compensation expenses and personnel costs, again, as a result of the merger;
- Net loss was ($6.64) million vs. ($1.96) million; Net loss attributable to common stockholders totaled ($6.64) million versus ($1.96) million;

As of March 31, 2021, cash and equivalents totaled $15.7 million compared to $2.4 million the year before. Kintara continues without debt. Cash burn for the quarter was $4.7 million and $14.2 million for the nine months of fiscal year 2021, offset by cash inflows of $3.2 million from financing.

GCAR AGILE Trial

In January, Kintara announced the start of patient recruitment in the Global Coalition for Adaptive Research (GCAR) registrational Phase II/III clinical trial for glioblastoma multiforme (GBM). Kintara's candidate, VAL-083, will be considered in three subpopulations: newly-diagnosed methylated O^6-methylguanine-DNA methyltransferase (MGMT) GBM, newly-diagnosed unmethylated MGMT GBM and recurrent GBM.

In the January press release, Kintara announced that GCAR would be adding an additional active arm to VAL-083's study in newly-diagnosed methylated GBM patients, complementing the existing arms investigating newly-diagnosed unmethylated and recurrent GBM. We had hypothesized this eventuality in our initiation, highlighting the benefits of the adaptive nature of the GCAR structure, which allows for multiple subtypes of GBM to be evaluated. Methylated GBM patients see some benefit from the current standard-of-care temozolomide (TMZ) and may be better served by VAL-083.

As of May 18th, 2021 GCAR has screened over 600 patients for the AGILE trial. Based on conversations held between Kintara management and GCAR, it is estimated that the Phase II segment of the adaptive trial will graduate into the Phase III segment in 1H:22.

Tamara Seymour Board Appointment

On May 4, 2021, Kintara announced that it had appointed Tamara A. Seymour to its Board as an independent director, replacing John Liatos, who will continue as Kintara's Senior Vice President of Business Development. Ms. Seymour brings healthcare sector experience, serving as a financial and operational executive. She has served in

corporate finance for three decades in the biotech and life sciences industries, including 20 years as a chief financial officer. Other leadership roles include in finance, investor relations, managed care and reimbursement, human resources, administration and information technology. She has raised over $250 million in multiple private and public equity and debt financings including an IPO. Ms. Seymour currently serves on the Board and Audit Committee of Artelo Biosciences. In serving as CFO in multiple private and public companies, she played an integral role in M&A activity. She has served as CFO of Immunic, Inc., Signal Genetics, and Favrille, Inc. Seymour holds an MBA from Georgia State University and earned her bachelor's in Business Administration from Valdosta State University.

Addition of Dr. Mario Lacouture to Scientific Advisory Board

On March 3, 2021, Kintara issued a press release stating that Dr. Mario Lacouture had been appointed to Kintara's Scientific Advisory Board to support its pursuit of cutaneous metastatic breast cancer. Dr. Lacouture is Director of the Oncodermatology Program at Memorial Sloan Kettering Cancer Center and a Professor of Dermatology at Weill Cornell Medicine. Dr. Lacouture has over 260 articles published in peer-reviewed journals and is author of a patient guide for skincare while living with cancer. He also authored a textbook for healthcare providers. With background in oncology and dermatology, Dr. Lacouture will guide REM-001's clinical trial design and execution. He holds a medical degree from Javeriana University, completed an internship in General Surgery at The Cleveland Clinic, residency in dermatology at The University of Chicago and postdoctoral work at Brigham and Women's Hospital.

MD Anderson Trial: Final Patient Phase II Enrolled and AACR Update

On February 17, 2021, Kintara issued a press release informing stakeholders that the final patient in the recurrent arm of the ongoing Phase II study of VAL-083, conducted at the MD Anderson Cancer Center, had been enrolled. The Phase II trial is open-label, two-arm, biomarker-driven study evaluating VAL-083 in MGMT unmethylated GBM patients, known to be resistant against current standard-of-care chemotherapy. Efficacy endpoints include overall survival and progression-free survival. The recurrent arm of the study is evaluating glioblastoma multiforme (GBM) patients who have been pre-treated with temozolomide (TMZ). The study was designed to enroll up to 83 patients in total. On April 12, 2021, Kintara provided another update for the trial in a poster presentation at the American Association for Cancer Research Annual Meeting. As of March 12, 2021, the trial has enrolled 89 patients into the recurrent arm, with 35 and 54 patients receiving 40 mg/m^2/d and 30 mg/m^2/d dosing, respectively. Median overall survival for all 83 evaluable patients who have completed at least one cycle of treatment is 7.5 months. For the 48 evaluable patients initially receiving the 30 mg dose, median overall survival was last reported at 7.9 months. This compares to another study evaluating lomustine that produced median overall survival of 7.2 months.

Topline results for the recurrent group are expected by the end of June 2021. In the adjuvant setting, topline will likely be available in the July timeframe.

Sun Yat-Sen University Study AACR Update

In 2017 a single-arm, biomarker driven, Phase II open label study in newly diagnosed MGMT-unmethylated GBM patients was launched at Sun Yat-sen University in Guangzhou, China. The trial, in collaboration with Guangxi Wuzhou Pharmaceutical Company, enrolled 29 newly diagnosed patients and is ongoing.[1] The study comprises two parts. The first is a dose confirmation exercise that has evaluated VAL-083 at 20, 30 and 40 mg/m^2 per day, administered intravenously along with x-ray therapy to confirm MTD. The drug is administered for the first three days of a 21-day cycle. The second, ongoing, part is an expansion phase that is evaluating another 20 patients at the target dose, also in conjunction with x-ray therapy. Based on the work conducted in part 1, a dose of 30 mg/m^2 per day was selected. Endpoints and data collection for the investigation are:

- Tumor response as assessed by the Response Assessment in NeuroOncology
- Progression free survival (PFS) at six months
- Overall survival (OS) compared to historical results in the target population
- Pharmacokinetic (PK) assessments of VAL-083 in plasma and cerebrospinal fluid

Kintara has completed enrollment of the first-line study in China. An update for the trial was presented at AACR, which was announced on April 12, 2021. The update informed that for the 29 patients as of March 11, 2021, the median progression free survival (mPFS) was 9.3 months. Additionally, for the 25 patients initially receiving treatment dose of 30 mg/m2/day on days 1, 2 and 3 of 21-day cycle, mPFS was 8.7 months. This compares retroactive-

[1] Trial was fully enrolled as of February 19, 2020

ly with historical TMZ control of 6.9 months. Three subjects have experienced serious adverse events related to VAL-083. The study is fully enrolled, all patients have completed treatment and are currently in follow-up.

Preferred Stock

After completing the merger between DelMar and Adgero, Kintara issued 25,028 units of Series C Preferred Stock. On each anniversary of the issue date, for continuing holders of the Series C Preferred, a Series C Preferred Stock dividend will be paid over the four year life of the instrument. A dividend of 10%, 15%, 20% and 25% is due on each anniversary for unconverted Series C Preferred units. This structure encourages the long term holding of the instrument. Once the shares are converted to common equity, they no longer produce a preferred stock dividend. As of May 11, 2021 20,092 units of Series C Preferred stock were outstanding which can be converted to approximately 17.3 million shares of common stock.

Kintara's Series B Preferred stock was converted to common shares on April 29, 2021 and are included in the outstanding share balance of 32.6 million shares as of May 11, 2021. Holders of the Series B shares maintain rights to a royalty agreement that is paid on products sold directly by the company or sold via a licensing or partnering agreement.

Our Thesis

Kintara is developing multiple oncology assets. The first, VAL-083, is expected to yield topline results in 2023, followed by a new drug application (NDA) and a 2025 launch of the product in selected geographies. The second is REM-001, a photodynamic therapy (PDT) that consists of a drug, a laser light source and a light delivery device, which is expected to start a confirmatory trial in 1H:22.

VAL-083 presents a differentiated mechanism of action and a favorable safety profile, especially in contrast to other agents. It is a bifunctional compound that is able to alkylate N^7-guanine to form interstrand crosslinks and force double strand breaks. Unlike standard of care TMZ, the response to VAL-083 is not dependent on MGMT promoter methylation status. At the target dose, only a minority of patients presented dose limiting toxicities and the drug is well tolerated.

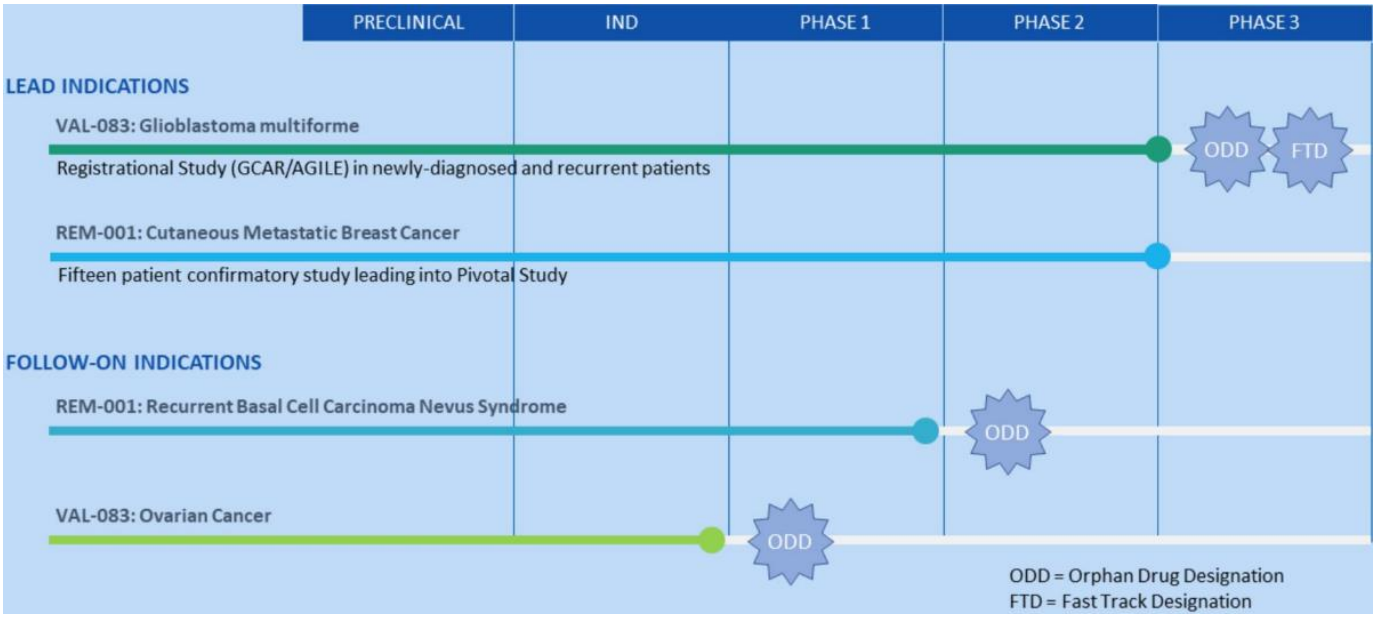
REM-001 is anticipated to begin a dose identifying confirmatory study in 1H:22 enrolling up to 15 patients as a direct lead-in to Phase III. This is a delay compared with earlier expectations due to lack of sufficient drug product. Kintara had scheduled a manufacturing run; however, due to displacement related to the pandemic, there was a delay in obtaining REM-001 drug product leading to the current target start in 1H:22. Extensive studies have been conducted that have characterized the safety and efficacy of REM-001 to address CMBC and the goal of the 15-patient lead in portion is to identify the efficacy of a lower 0.8 mg/kg dose which may provide an improved side effect profile. The cancer has no effective treatments despite minor benefits from surgery, chemotherapy, radiotherapy and other approaches.

Current approaches to both GBM and CMBC are insufficient. If Kintara's VAL-083 and REM-001 are successful in clinical trials, we see these treatments fulfilling an unmet need in two areas that command strong pricing and significant populations. Each of Kintara's candidates have other indications that may also be addressed, providing additional opportunities for this small cap company.

Kintara History

Kintara Therapeutics was formed from the combination of DelMar Pharmaceuticals and Adgero Biopharmaceuticals, with the former sponsoring VAL-083 and the latter developing REM-001. Adding REM-001 provides a second Phase III-ready asset and additional pipeline expansion opportunities including future possible indications. This includes cancers such as recurrent basal cell carcinoma nevus syndrome (BCCNS), locally advanced basal cell carcinoma (laBCC) and cutaneous metastatic cancers other than breast, such as lung, ovarian and colon.

Exhibit I – Kintara Pipeline[2]



Corporate Milestones

Kintara has begun recruitment in the GBM AGILE trial for VAL-083 and will soon launch a pivotal study for REM-001. The trial design is a seamless Phase II (Efficacy and Safety) / Phase III (Confirmatory) trial that can provide pivotal data for approval. We expect a steady enrollment of 100 to 150 patients in the first part of the trial over the next several quarters and a move to the 50 patient confirmatory portion in 1H:22. The 15-patient open label start to the REM-001 is anticipated to begin by 1H:22. A pandemic-related disruption led to a delay in securing sufficient drug and the start date was pushed back from original expectations. Below we list recent milestones and anticipated future events.

- Initiation of patient recruitment for GCAR AGILE registration study – January 2021
- First patient enrolled in GCAR AGILE study – February 2021
- Final Phase II recurrent patient enrolled at MD Anderson – February 2021
- Presentation at AACR (recurrent & adjuvant interim data, Phase II GMB study) – April 2021
- 47 GCAR AGILE study sites enrolling – 2Q:21
- Initiate CMBC confirmatory trial – 1H:22
- Top-line preliminary results for Recurrent Phase 2 GBM study – June 2021
- Top-line preliminary results for Adjuvant Phase 2 GBM study – July 2021
- CMBC confirmatory trial results & Phase III start – 1H:22
- GCAR AGILE registration study, stage 2 – 1H:22
- GCAR AGILE top-line results – 2023

[2] Source: Kintara May 2021 Corporate Presentation

Summary

Kintara's VAL-083 candidate is poised to make a great impact in GBM patients that are treatment resistant, a population that represents more than half of the total GBM population. VAL-083 may also acquire market share in the MGMT-methylated population as well, although its efficacy here is only now being evaluated in the GCAR AGILE trial. We will update our assessment of success in the methylated population based on additional data for VAL-083 provided for this group. While facing a delay due to ability to source sufficient drug product, the lead in portion to the Phase III study for REM-001 is expected to begin early next year, providing a second asset that will address CMBC patients.

Kintara is developing a pair of well-researched therapies in oncology with several characteristics that make the candidates particularly amenable to addressing GBM and CMBC. For VAL-083, the ability to cross the blood brain barrier and overcome DNA-repair enzyme resistance combined with the agent's affinity to be absorbed by cancer cells provides a mechanism of action that may provide superior safety and efficacy compared with the current standard of care. In the case of REM-001, the targeted nature of the approach avoids systemic exposure and addresses many of the shortcomings of surgery, chemotherapy and radiotherapy for CMBC patients. Kintara offers exposure to two large oncology markets and is developing two assets primed to enter pivotal studies. With a wealth of data available for VAL-083 and an unmet need in CMBC, we see Kintara as diversified and undervalued. We maintain our target price of $5.25 per share.

PROJECTED FINANCIALS

Kintara Therapeutics, Inc. - Income Statement[3]

Kintara Therapeutics, Inc.	2020 E	Q1 A	Q2 A	Q3 A	Q4 E	2021 E	2022 E	2023 E
Total Revenues ($US)	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Research & Development	$3,630	$1,357	$2,584	$3,843	$4,000	$11,784	$24,450	$23,200
General & Administrative	$4,515	$1,534	$2,794	$2,762	$1,355	$8,445	$8,570	$4,500
Income from operations	($8,145)	($2,891)	($5,378)	($6,605)	($5,355)	($20,229)	($33,020)	($27,700)
Change in Fair Value of Derivative	$0	$0	$0	$0	$0	$0	$0	$0
Foreign Exchange Loss	$3	$0	$3	$1	$0	$4	$0	$0
Interest Income	($75)	$7	$7	$6	($4)	$16	($20)	($20)
Other Items	$1,054	$16,620	$25	$23	$0	$16,668	$0	$0
Preferred Stock Dividend	$9	$3,188	$0	$8	$0	$3,196	$0	$0
Pre-Tax Income	($9,135)	($22,706)	($5,413)	($6,643)	($5,351)	($40,113)	($33,000)	($27,680)
Provision for Income Tax	$0	$0	$0	$0	$0	$0	$0	$0
Net Income	**($9,135)**	**($22,706)**	**($5,413)**	**($6,643)**	**($5,351)**	**($40,113)**	**($33,000)**	**($27,680)**
Reported EPS	**($0.87)**	**($1.33)**	**($0.22)**	**($0.23)**	**($0.15)**	**($1.51)**	**($0.73)**	**($0.48)**
YOY Growth	*-72%*	*522.3%*	*42.6%*	*32.3%*	*-54.3%*	*73%*	*-51%*	*-35%*
Basic Shares Outstanding	10,444	17,106	24,845	29,273	35,000	26,556	45,000	58,000

Source: Company Filing // Zacks Investment Research, Inc. Estimates

[3] Financial statement information presents data as originally reported.

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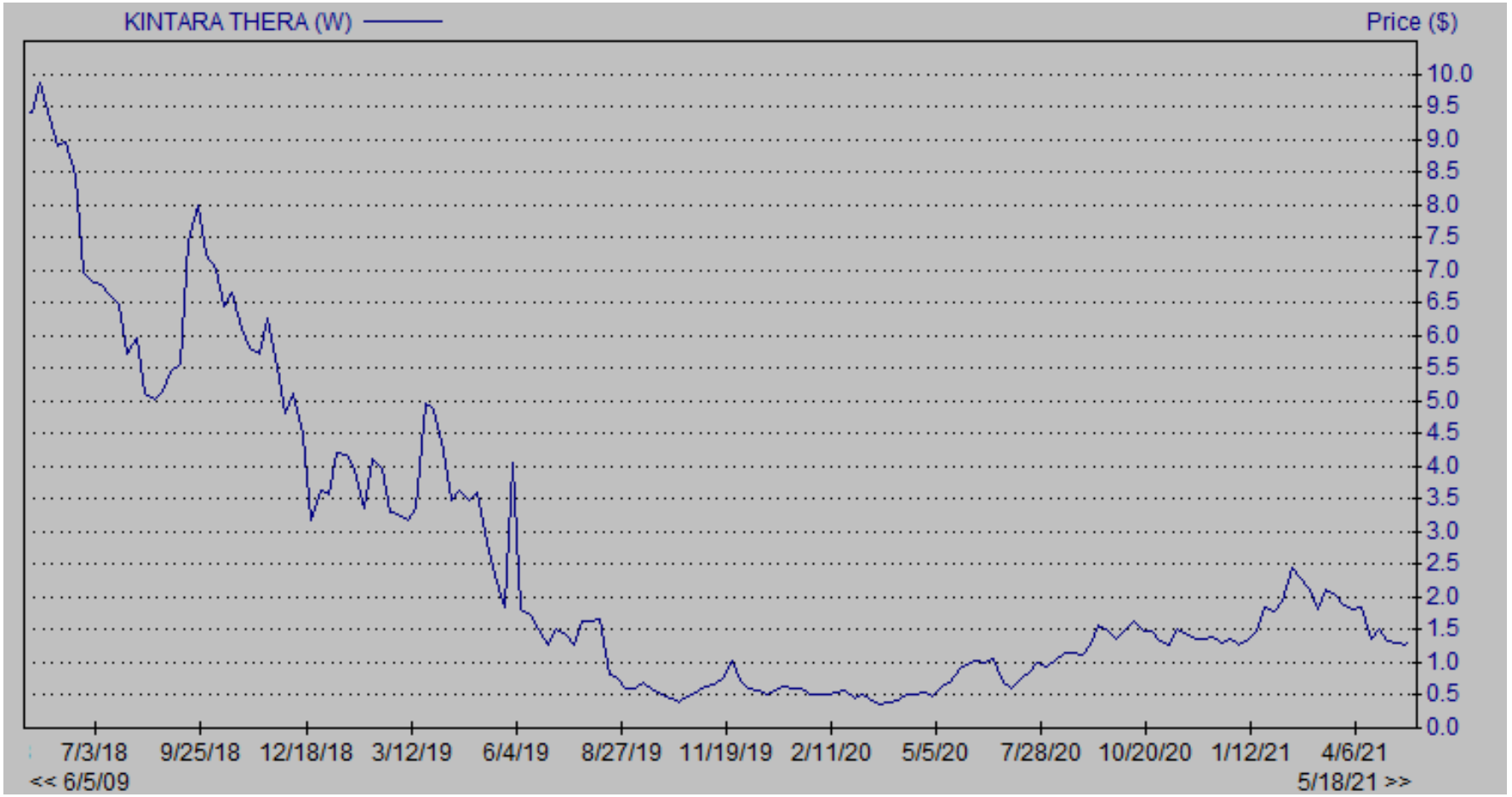
HISTORICAL STOCK PRICE

Kintara Therapeutics, Inc. – Share Price Chart[4]



[4] Source: Zacks Research System

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