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John D. Vandermosten, CFA
312-265-9588 / jvandermosten@zacks.com

scr.zacks.com
10 S. Riverside Plaza, Suite 1600, Chicago, IL 60606

Kintara Therapeutics, Inc. (KTRA - NASDAQ)

FY21 Financial 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 (10/8/2021)	$0.77
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 is underway and should yield Ph3 topline results in 2023. Working within the GCAR AGILE study framework is anticipated to accelerate results in recurrent and newly diagnosed methylated and unmethylated patients while limiting total cost.

REM-001 is expected to start a confirmatory trial in 2Q:22 which will subsequently move into a 100-patient Ph3 trial. Trial completion expected by the end of 2024 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	**$0.74**
One-Year Return (%)	**-54.5**
Beta	**1.70**
Average Daily Volume (sh)	**889,504**
Shares Outstanding (mil)	**43.2**
Market Capitalization ($mil)	**32.8**
Short Interest Ratio (days)	**5.53**
Institutional Ownership (%)	**6.31**
Insider Ownership (%)	**1.24**
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 2020 Estimate	**N/A**
P/E using 2021 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 USD)

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

Earnings per Share

	Q1 (Sep)	Q2 (Dec)	Q3 (Mar)	Q4 (Jun)	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	-$0.21 A	-$1.60 A
2022					-$0.73 E
2023					-$0.48 E

WHAT'S NEW

Fiscal Year 2021 Operational and Financial Results

Kintara Therapeutics, Inc. (NASDAQ: KTRA) announced fiscal year 2021 financial and operational results in a September 29th press release and filed its 10-K with the SEC.

Highlights for the fourth quarter ended June 30, 2021 and to-date include:

- GCAR GBM AGILE trial launch – January 2021
- Clinical updates at AACR[1] - April 2021
- Tamara A. Seymour appointed to Board - May 2021
- 15 US sites activated in GCAR - May 2021
- Final patient enrolled in adjuvant arm, MD Anderson Phase II study - June 2021
- Addition to Russell Microcap Index - June 2021
- Topline from recurrent arm, MD Anderson Phase II study - July 2021
- 26 US sites activated in GCAR - August 2021
- Topline from adjuvant arm, MD Anderson Phase II study - September 2021
- Announcement and closing of $15 million offer - September 2021

Kintara produced no revenues in fiscal year 2021 and incurred operating expense totaling ($21.6) million, yielding net loss attributable to common stockholders of ($41.5) million, or ($1.60) per share.

For the fiscal year ending June 30, 2021 versus the same ending June 30, 2020:

- Research & development expense increased 225% to $11.8 million from $3.63 million, with the increase attributed to higher clinical development, non-cash, share-based compensation expense, and personnel costs;
- General & administrative expense increased 116% to $9.76 million from $4.51 million on higher non-cash and share-based compensation expense, professional fees, and other office and sundry expenses;
- Impairment related to in-process R&D totaled $16.0 million, absent in the prior year, due to revaluation of assets acquired during the merger with Adgero;
- Net loss attributable to common shareholders totaled ($41.5) million vs. ($9.14) million.

As of June 30, 2021, cash and equivalents totaled $10.5 million compared to $2.39 million the year before. Kintara continues without debt. Cash burn for the year totaled $18.9 million, offset by inflows of $26.0 million from financing, excluding the raise following the reporting period.

$15 Million Raise

Kintara announced a $15 million raise on September 24 and its closing four days later. The offer issued 12 million units with each unit comprising a common share and a warrant to purchase a common share with $1.25 exercise. Units were priced at $1.25 each with gross proceeds of approximately $15 million. 4.8 million of the 12 million units were comprised of prefunded warrants in place of ordinary shares. H.C. Wainwright & Co. acted as exclusive placement agent for the offer. Proceeds from the raise will be used to fund clinical studies, supply working capital and for other general corporate purposes, including acquisitions.

VAL-083 Phase II Topline Data (MD Anderson) - Adjuvant Arm

Kintara announced topline results on September 22, 2021 from its Phase II study of lead candidate, VAL-083, as adjuvant therapy in newly-diagnosed glioblastoma multiforme (GBM) patients. The last patient in this group was

[1] American Association for Cancer Research

dosed on June 3rd and the topline announcement is an update from the previous results that were presented in a poster at the American Association for Cancer Research annual meeting in April 2021.

Adjuvant therapy, also known as adjunct therapy, is given in addition to the primary/initial course to increase efficacy; VAL-083 was given as an adjuvant for temozolomide (chemotherapy). The study is an open-label, Phase II study being conducted at MD Anderson Cancer Center in Houston, TX. The trial has two arms enrolling patients with unmethylated O^6-methylguanine–DNA methyltransferase (MGMT) promoter (chemotherapy resistant). Topline results from the recurrent arm were announced in July.

The newly-diagnosed adjuvant arm enrolled 39 patients, of which 36 were evaluable, initially receiving a dose of 30 mg/m^2/day on days 1, 2, and 3 of a 21-day cycle. The prior update, which was provided in an April 10 poster and measured results as of March 12, 2021 found median progression free survival (PFS) of 10.0 months and median overall survival (mOS) of 16.5 months. This measurement included 33 patients. In the most recent update, PFS and mOS remained the same but with an increase in evaluable subjects to 36 and a cutoff date of September 13, 2021.

Exhibit I - Topline Results, MD Anderson Adjuvant Arm[2]

	VAL-083 (n=36) (months)	Historical[3,4] (months)
Progression Free Survival (PFS) (months)	10.0 (8.2-10.8)	5.3-6.9
Median Overall Survival (mOS) (months)	16.5 (13.3-19.3)	12.7-16.0

PFS was 10 months, with a confidence interval ranging from 8.2-10.8 months, comparing favorably with historical data in the 5.3-6.9-month range. mOS was 16.5 months, with confidence interval of 13.3-19.3 months, comparing favorably to historical ranges of 12.7-16.0 months. Myelosuppression was the most common adverse event. One patient experienced a serious adverse event that was possibly treatment related.

VAL-083 Phase II Topline Data (MD Anderson) - Recurrent Arm

Kintara provided topline data from the recurrent arm of its MD Anderson Phase II clinical trial in a July 1 press release. Median overall survival (mOS) for the 48 efficacy-evaluable patients at the 30 mg/m^2/day dose level was 8.0 months with a 95% confidence interval of 5.9 to 9.9 months. This is a slight increase from the value provided at the prior update of 7.9 months reported in November 2020. The data demonstrate better survival than the adverse side-effect prone lomustine, which has shown a mOS of 7.2 months.[5] For all patients in the trial, including the no longer applied 40 mg/m^2/day dosing, mOS was 7.5 months, matching the number reported last November.

MD Anderson Trials

Kintara's MD Anderson trial is a Phase II, 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 OS and PFS. 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 (AACR) Annual Meeting. The trial 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. At that time, mOS for all 83 evaluable patients who had completed at least one cycle of treatment was 7.5 months. For the 48 evaluable patients initially receiving the 30 mg dose, mOS was last reported at 7.9 months (now at 8.0 months).

[2] Compiled by Zacks Analyst
[3] *Hegi et al N Eng J Med 352; 997-1003 (2005);*
[4] *Tanguturi et al. NeuroOncol. 19(7): 908-917 (2017)*
[5] Wick, W et al (2017) N.Eng.J.Med . 377:1954 1963 ; 6 . NCCN guidelines (CNS cancers, 2017); 7. Tanguturi SK, et al. NeuroOncol.19(7):908 917 (2017). EORTC 26101, for patients with recurrent MGMT unmethylated GBM treated with lomustine alone.

GCAR AGILE Trial

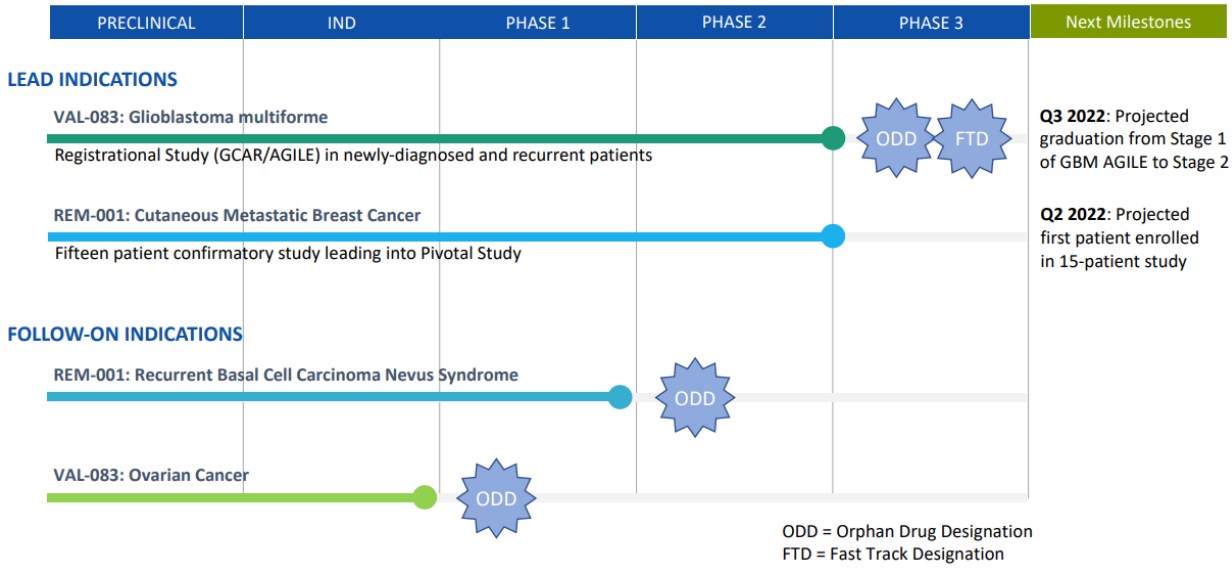
In January 2021, Kintara announced the start of patient recruitment in the Global Coalition for Adaptive Research (GCAR) registrational Phase II/III clinical trial for glioblastoma multiforme (GBM). Kintara's candidate, VAL-083, will be considered in three subpopulations: newly-diagnosed methylated O^6-methylguanine-DNA 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. 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 had screened over 600 patients for the AGILE trial. Based on conversations held between Kintara management and GCAR, it is estimated that the first stage of the adaptive trial will graduate into the second stage in 2H:22.

On August 17, Kintara provided an update that 26 US sites had been activated in the GCAR trial as of August 16, 2021. It is expected that 39 sites will be active by year end. Since January, GCAR has accelerated the pace of clinical site activation. GCAR is targeting 150-200 patient enrollment in the Kintara arm of the study at over 40 sites in the US and Canada, with potential of 65 clinical trial centers worldwide.

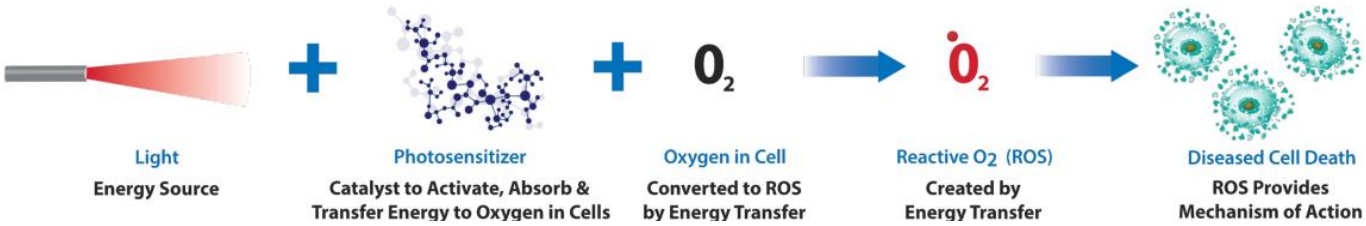
Exhibit II – Kintara Pipeline[6]



REM-001

Kintara expects to launch its 15 patient REM-001 confirmatory study in cutaneous metastatic breast cancer (CMBC) in the second quarter of 2022. This is expected to be followed by a Phase III that will enroll 100 to 150 CMBC patients that have received prior radiation therapy and chemotherapy.

Exhibit III – Photodynamic Therapy[7]



[6] Source: Kintara Corporate Presentation August 2021
[7] Source: Kintara Corporate Presentation August 2021

Series C Preferred Stock

On August 19, 2020, Kintara issued a private placement of 25,028 shares of Series C Preferred Stock that are convertible into 21.5 million shares of stock. Until it is converted into equity shares, the Series C Preferred Stock is eligible for a dividend of Kintara common stock at a rate of 10%, 15%, 20% and 25% payable on each subsequent anniversary of the private placement. As of September 28, 2021, there were 18,382 outstanding shares of Series C Preferred Stock convertible into 15.8 million shares of common stock, excluding future dividends. Kintara also carries warrants to purchase 2,443 shares of Series C Preferred Stock which are convertible to 2.1 million shares of common stock.

Summary

Kintara updates investors with its fiscal year 2021 full year report. It has been an eventful year with the GBM AGILE study starting and adding new sites. Readouts have continued for the Phase II studies in China and at MD Anderson. In the latest update regarding the adjuvant arm of the trial conducted at MD Anderson, PFS was 10 months, comparing favorably with historical data in the 5.3-6.9-month range and mOS was 16.5 months, comparing favorably to historical ranges of 12.7-16.0 months. Kintara's VAL-083 candidate is poised to make a material impact in treatment resistant GBM patients, a population that represents more than half of the total GBM population. While delayed from our initial expectations, REM-001 is expected to begin enrolling in 2Q:22. 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[8]

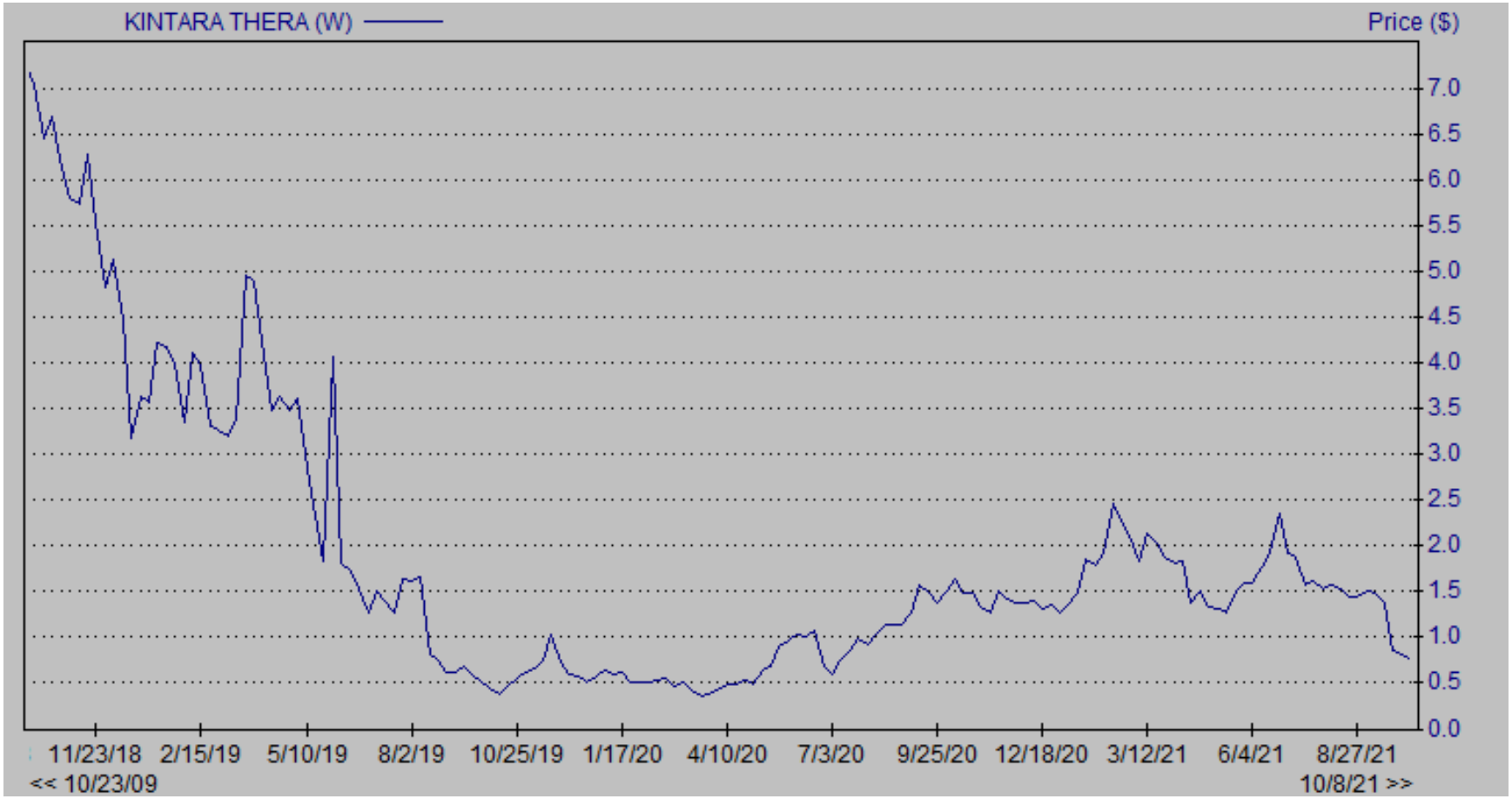
Kintara Therapeutics, Inc.	2020 E	Q1 A	Q2 A	Q3 A	Q4 A	2021 A	2022 E	2023 E
Total Revenues ($US)	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth								
Research & Development	$3,630	$1,357	$2,584	$3,843	$4,031	$11,815	$24,450	$23,200
General & Administrative	$4,515	$1,534	$2,794	$2,762	$2,667	$9,757	$8,570	$4,500
Income from operations	($8,145)	($2,891)	($5,378)	($6,605)	($6,698)	($21,572)	($33,020)	($27,700)
Operating Margin	*# DIV/0!*	*# DIV/0!*	*# DIV/0!*	*# DIV/0!*	*# DIV/0!*	*# DIV/0!*	*# DIV/0!*	*# DIV/0!*
Change in Fair Value of Derivative	$0	$0	$0	$0	$0	$0	$0	$0
Foreign Exchange Loss	$3	$0	$3	$1	$8	$12	$0	$0
Interest Income	($75)	$7	$7	$6	$6	$26	($20)	($20)
Other Items	$1,054	$16,620	$25	$23	$20	$16,688	$0	$0
Preferred Stock Dividend	$9	$3,188	$0	$8	$10	$3,206	$0	$0
Pre-Tax Income	($9,135)	($22,706)	($5,413)	($6,643)	($6,742)	($41,504)	($33,000)	($27,680)
Provision for Income Tax	$0	$0	$0	$0	$0	$0	$0	$0
Tax Rate	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Net Income	**($9,135)**	**($22,706)**	**($5,413)**	**($6,643)**	**($6,742)**	**($41,504)**	**($33,000)**	**($27,680)**
Net Margin	*# DIV/0!*	*# DIV/0!*	*# DIV/0!*	*# DIV/0!*	*# DIV/0!*	*# DIV/0!*	*# DIV/0!*	*# DIV/0!*
Reported EPS	**($0.87)**	**($1.33)**	**($0.22)**	**($0.23)**	**($0.21)**	**($1.60)**	**($0.73)**	**($0.48)**
YOY Growth	*-72%*	*522.3%*	*42.6%*	*32.3%*	*-38.2%*	*83%*	*-54%*	*-35%*
Basic Shares Outstanding	10,444	17,106	24,845	29,273	32,617	25,886	45,000	58,000

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

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

HISTORICAL STOCK PRICE

Kintara Therapeutics, Inc. – Share Price Chart[9]



[9] Source: Zacks Research System

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