Zacks Small-Cap Research
Sponsored – Impartial – Comprehensive
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Kintara Therapeutics, Inc. (KTRA - NASDAQ)

More AGILE Sites Greet New CEO

Based on our DCF model and a 15% discount rate, Kintara Therapeutics is valued at approximately $5.00 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 (11/16/2021)	$0.84
Valuation	**$5.00**

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	**$0.74**
One-Year Return (%)	**-47.5**
Beta	**1.62**
Average Daily Volume (sh)	**1,958,889**
Shares Outstanding (mil)	**48.5**
Market Capitalization ($mil)	**40.7**
Short Interest Ratio (days)	**0.09**
Institutional Ownership (%)	**12.4**
Insider Ownership (%)	**1.2**
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)
2021	$0.0 A	$0.0 A	$0.0 A	$0.0 A	$0.0 A
2022	$0.0 A	$0.0 E	$0.0 E	$0.0 E	$0.0 E
2023					$0.0 E
2024					$0.0 E

Earnings per Share

	Q1 (Sep)	Q2 (Dec)	Q3 (Mar)	Q4 (Jun)	Year (Jun)
2021	-$1.33 A	-$0.22 A	-$0.23 A	-$0.21 A	-$1.60 A
2022	-$0.17 A	-$0.17 E	-$0.17 E	-$0.17 E	-$0.68 E
2023					-$0.55 E
2024					-$0.54 E

WHAT'S NEW

First Quarter Fiscal Year 2022 Operational and Financial Results

Kintara Therapeutics, Inc. (NASDAQ: KTRA) announced first quarter fiscal year 2022 financial and operational results in a November 15th press release and concurrently filed its 10-Q with the SEC.

Highlights for the first quarter ended September 30, 2021 and to-date include:

- 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
- Appointment of Robert E. Hoffman as President and CEO, adding to Chairman role – November 2021
- Saiid Zarrabian transitions to Head of Strategic Partnerships - November 2021

Kintara produced no revenues in fiscal year 1Q:22 and incurred operating expense totaling ($6.0) million, yielding net loss attributable to common stockholders of ($8.4) million, or ($0.25) per share.

For the first quarter ending September 30, 2021 versus the same period ending September 30, 2020:

- Research & development expense was $3.8 million, up 180% from $1.4 million with the increase largely attributable to higher clinical development costs, including data compilation and assessment, non-cash, share-based compensation expenses, and personnel costs. Clinical development costs are higher on the January 2021 start of the GCAR GBM AGILE study and has incurred costs relating to clinical site activation and patient enrollment;
- General & administrative expenses totaled $2.2 million, up 42% from $1.5 million due to higher non-cash, share-based compensation expenses, professional fees, and personnel costs;
- Impairment related to in-process R&D was absent this quarter versus $16.1 million;
- Net loss attributable to common shareholders totaled ($8.4) million vs. ($22.7) million.

As of September 30, 2021, cash and equivalents totaled $19.3 million compared to $10.5 million at the end of the fiscal year. Kintara continues without debt. Cash burn for the first quarter totaled $5.1 million, offset by inflows of $13.9 million from financing including the $15.0 million September raise that generated approximately $13.8 million in net proceeds.

CEO Zarrabian Transitions to Head of Strategic Partnerships, Chairman Hoffman Succeeds

On November 9, 2021, Kintara announced that President and CEO Saiid Zarrabian would transition to head Kintara's strategic partnerships initiative, while Chairman of Kintara's board, Robert E. Hoffman, would succeed him, effective November 8, 2021. Hoffman will continue as Board Chairman and Zarrabian will also remain a member of Kintara's Board. Zarrabian held the position of CEO since 2018.

Robert Hoffman has served as a director of Kintara since April 2018 and Chairman since June 2018. He currently serves as a Board member of Aslan Pharmaceuticals, Inc., Antibe Therapeutics, Inc., and Saniona AB. Hoffman's previous experience includes serving as Senior Vice President and Chief Financial Officer of Heron Therapeutics from April 2017 to October 2020. He was part of the founding management team of Arena Pharmaceuticals, Inc. in 1997, serving in various roles until 2015, including Senior Vice President, Finance and Chief Financial Officer. Mr. Hoffman served as a member of the Financial Accounting Standards Board's Small Business Advisory Committee. Mr. Hoffman holds a B.B.A. from St. Bonaventure University.

$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 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[1]

	VAL-083 (n=36) (months)	Historical[2,3] (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.[4] 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).

[1] Compiled by Zacks Analyst
[2] *Hegi et al N Eng J Med 352; 997-1003 (2005);*
[3] *Tanguturi et al. NeuroOncol. 19(7): 908-917 (2017)*
[4] 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

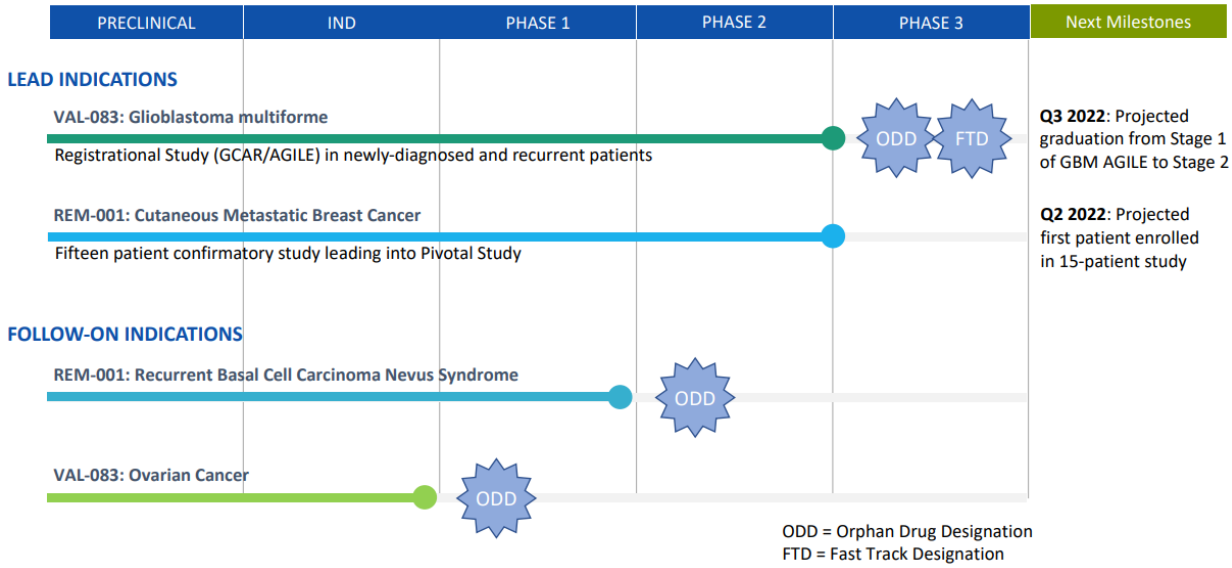
In January 2021, Kintara announced the start of patient recruitment in the Global Coalition for Adaptive Research (GCAR) registrational Phase II/III clinical trial for glioblastoma multiforme (GBM). Kintara's candidate, VAL-083, will be considered in three subpopulations: newly-diagnosed methylated O^6-methylguanine-DNA 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.

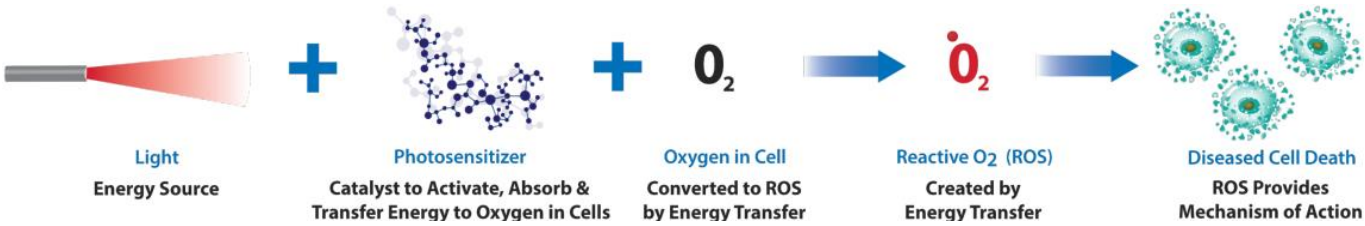
Exhibit II – Kintara Pipeline[5]



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[6]



[5] Source: Kintara Corporate Presentation November 2021
[6] 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 November 11, 2021, there were 17,747 outstanding shares of Series C Preferred Stock convertible into 15.3 million shares of common stock, excluding the impact of any future dividends. Kintara also carries warrants to purchase 2,444 shares of Series C Preferred Stock which are convertible to 2.1 million shares of common stock.

Summary

Kintara begins its fiscal year 2022 with a number of important clinical, operational and managerial milestones. This includes reporting topline results from the MD Anderson recurrent and adjuvant arms, activation of 26 US sites in the GCAR Agile trial as of August and closing of a $15 million offer. The company also transitions its CEO role from Saiid Zarrabian to Chairman Robert Hoffman.

In the financial sphere, Kintara produced no revenues in the first quarter of fiscal year 2022 and incurred operating expense totaling ($6.0) million, yielding net loss attributable to common stockholders of ($8.4) million, or ($0.25) per share. As of September 30, 2021, cash and equivalents totaled $19.3 million compared to $10.5 million the prior quarter. Kintara continues without debt. Cash burn in the first quarter totaled $5.1 million, offset by inflows of $13.9 million from financing including the $15.0 million September raise that yielded approximately $13.8 million, net.

We make an adjustment to the timing of the CMBC trial to reflect updated guidance by the company for the related study to begin in the first half of 2022. This reduces our target price by $0.25 to $5.00 per share.

Assuming continued favorable results, 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 update our target price to $5.00 per share.

PROJECTED FINANCIALS

Kintara Therapeutics, Inc. - Income Statement[7]

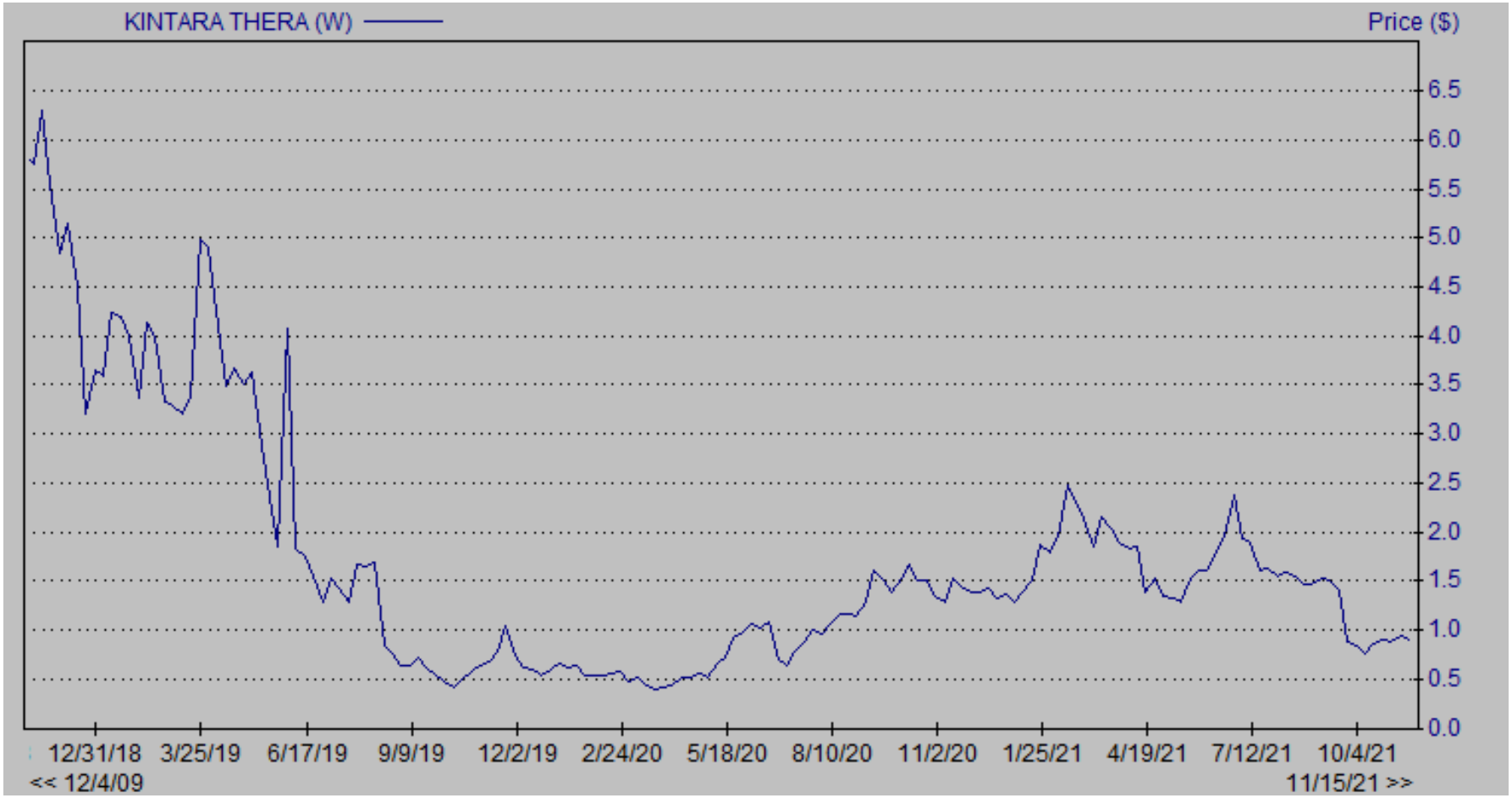
Kintara Therapeutics, Inc.	2021 A	Q1 A	Q2 E	Q3 E	Q4 E	2022 E	2023 E	2024 E
Total Revenues ($US)	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Research & Development	$11,815	$3,793	$6,050	$6,150	$6,200	$22,193	$23,200	$23,330
General & Administrative	$9,757	$2,178	$2,120	$2,210	$2,190	$8,698	$8,959	$9,228
Income from operations	($21,572)	($5,971)	($8,170)	($8,360)	($8,390)	($30,891)	($32,159)	($32,558)
Change in Fair Value of Derivative	$0	$0	$0	$0	$0	$0	$0	$0
Foreign Exchange Loss	$12	($4)	$0	$0	$0	($4)	$0	$0
Interest Income	$26	($1)	($1)	($1)	($1)	($4)	($5)	($5)
Other Items	$16,688	$0	$0	$0	$0	$0	$0	$0
Preferred Stock Dividend	$3,206	$0	$0	$0	$0	$0	$0	$0
Pre-Tax Income	($41,504)	($5,966)	($8,169)	($8,359)	($8,389)	($30,883)	($32,154)	($32,553)
Provision for Income Tax	$0	$0	$0	$0	$0	$0	$0	$0
Net Income	**($41,504)**	**($5,966)**	**($8,169)**	**($8,359)**	**($8,389)**	**($30,883)**	**($32,154)**	**($32,553)**
Reported EPS	**($1.60)**	**($0.17)**	**($0.17)**	**($0.17)**	**($0.17)**	**($0.68)**	**($0.55)**	**($0.54)**
YOY Growth	*83%*	*-86.9%*	*-22.9%*	*-24.4%*	*-17.1%*	*-57%*	*-19%*	*-0.02540569*
Basic Shares Outstanding	25,886	34,281	48,600	48,721	48,950	45,138	58,000	60,250

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

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

HISTORICAL STOCK PRICE

Kintara Therapeutics, Inc. – Share Price Chart[8]



[8] Source: Zacks Research System

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