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## Kintara (NASDAQ/KTRA) – Neutral Rated

*September 19, 2023*

### Kintara: Reports Fiscal Fourth Quarter- \$1.5M in Cash

Kintara announced fourth-quarter results. The company spent \$3.3M in the period and ended the fiscal year with just \$1.5M in cash & equivalents. Kintara anticipates “announcing top-line data in the international registrational GBM AGILE Study before the end of calendar 2023”. We also note that the Company was awarded a \$2M Small Business Innovation Research (SBIR) grant from the National Institutes of Health (NIH) to support the clinical development of REM-001, a second-generation photodynamic therapy photosensitizer agent for the treatment of cutaneous metastatic breast cancer.

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### Investment Highlights

**VAL-083:** Kintara is planning to present additional VAL-083 data at the EANO Annual Meeting later this month. The company anticipates top-line data in the international registrational GBM AGILE Study before the end of calendar 2023. The Company will also be presenting a poster at the 2023 European Association of Neuro-Oncology (EANO) Annual Meeting taking place in Rotterdam, Netherlands, September 21-24, 2023.

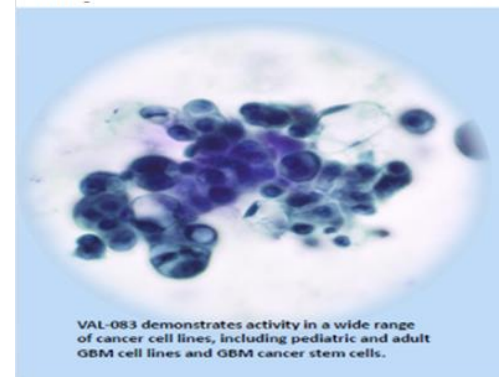
**What is VAL-083?** It is a bifunctional alkylating agent that causes DNA methylation of guanine at the N7 position. VAL-083 subsequently is not repaired by MGMT and has a potential anti-neoplastic activity. When administered, VAL-083 (which crosses the blood-brain barrier and shows a long half-life) acts to alkylates and crosslinks DNA, leading to a reduction in cancer cell growth. Previously published pre-clinical and clinical trials have demonstrated that the drug can be effective in treating various types of solid tumors, ranging from glioblastoma multiforme (GBM), ovarian cancer, pediatric CNS tumors and lung cancer. Kintara is currently advancing VAL-083 in the Global Coalition for Adaptive Research registrational Phase 2/3 clinical trial titled Glioblastoma Adaptive Global Innovative Learning Environment (GBM AGILE) Study to support the development and commercialization of VAL-083 in GBM.

**Thoughts on the GCAR trial and Status of Competitive Arms.** The trial design is interesting. The arms are designed to enroll N=100 to 150 patients. Our understanding is that a review board, such as the DSMB, reviews each arm monthly. Based on pre-specified criteria, a therapeutic may “graduate” and the enrollment is expanded by an additional N=50 patients. The purpose of this is to strengthen statistical results. If a given arm enrolls N=150 and does not graduate, the enrolled patients are then followed for an additional 12 months.

**Valuation.** Our valuation is driven by our revenue projections for VAL-083 (GBM) and does not include REM-001. We apply a risk cut in our model (50%), which flows into our income statement. We model out to 2030.

**Risk Factors:** Investment Risk, Market Share Risk, Regulatory Risk, Commercial Risk, and Financial Risk.

Current Price	\$3.68
Price Target	NA



Source: Kintara

Stock Data			
52-Week Range	\$2.70	-	\$15.50
Shares Outstanding (mil.)	1.7		
Market Capitalization (mil.)	\$6		
Enterprise Value (mil.)	-\$2		
Debt to Capital	0%		
Book Value/Share	\$5.28		
Price/Book	1		
Average Three Months Trading Volume (K)	4		
Insider Ownership	2.9%		
Institutional Ownership	1.7%		
Short interest (mil.)	1.6%		
Dividend / Yield	\$0.00/0.0%		



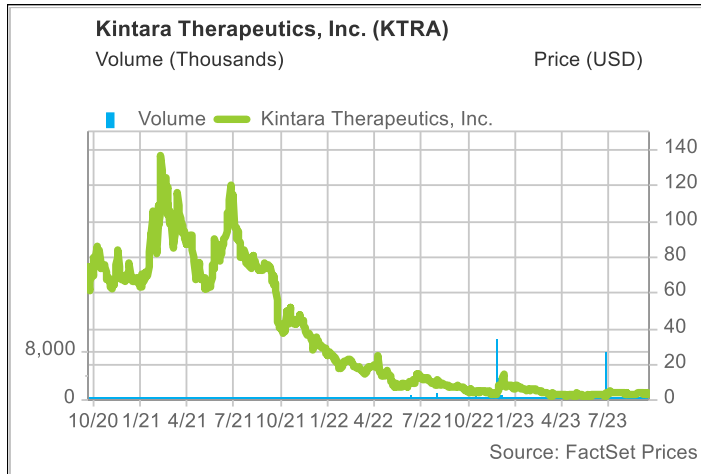
**Exhibit 1. Income Statement**

Kintara Pharmaceuticals Inc. (KTRA): Income Statement ('000)	6. 2018 YE	6. 2019 A	6. 2020 A	6. 2021 YE	6. 2022 YE	1Q23A	2Q23A	3Q23A	4Q23A	6. 2023 YE	6. 2024 YE	6. 2025 YE	6. 2026 YE	6. 2027 YE	6. 2028 YE	6. 2029 YE	6. 2030 YE
FYE-Jun 30	6.2018	6.2019 A	6.2020A	6.2021	6.2022	3Q22A	4Q22A	1Q23A	2Q23A	6.2023	6.2024	6.2025	6.2026	6.2027	6.2028	6.2029	6.2030
<b>Revenue (\$000)</b>																	
REM-001					0						0	0	0	0	0	0	0
VAL-083 U.S.											0	24,543	99,155	175,257	252,870	280,939	288,907
VAL-083 ROW																	
License Fees and Royalties (China sales)																	
<b>Total Revenue</b>												24,543	99,155	175,257	252,870	280,939	288,907
<b>Expenses</b>																	
Cost of Goods Sold												2,454	9,916	17,526	25,287	28,094	28,891
COGS % of revenue				10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Sales, General and administrative expenses	4,042	4,736	4,515	8,467	7,509	1,475	1,440	1,297	1,273	5,485	10,000	10,100	10,201	10,303	10,406	10,510	10,615
SG&A % of revenue																	
Research and Development	7,133	3,662	4,684	12,895	15,173	3,171	2,059	2,005	2,076	9,311	12,000	12,120	12,241	12,364	12,487	12,612	12,738
R&D % of revenue																	
Non-GAAP, Adj				16594													
<b>Total expenses</b>	11,175	8,398	9,198	37,956	22,682	4,646	3,499	3,302	3,349	14,796	16,766	22,017	29,673	37,481	45,442	48,450	49,451
<b>Oper. Inc. (Loss)</b>	(11,175)	(8,398)	(9,198)	(37,956)	(22,682)	(4,646)	(3,499)	(3,302)	(3,349)	(14,796)	(16,766)	2,527	69,482	137,776	207,432	232,488	239,457
Change in fair value of derivative liability	60	(434)	-	-	-												
Change in fair value of derivative liability due to change in warrant terms		126															
Issuance of shares to Valent																	
Loss on exchange of warrants																	
Foreign exchange gain	(57)	18	3	5	7	11	45	(1)	5	60	-	-	-	-	-	-	-
Interest expense			(75)	50	14	39		38	10	87	-	-	-	-	-	-	-
Interest income	33	(61)	-	16	-												
<b>Total non-operating income</b>	36	(350)	-	-	-												
<b>Pretax Income</b>	(11,138)	(8,048)	(9,126)	(38,012)	(22,661)	(4,596)	(3,454)	(3,265)	(3,334)	(14,649)	(16,766)	2,527	69,485	137,779	207,432	232,492	239,460
Income Tax Benefit (Provision)					(2,740)							455	15,287	31,689	49,784	58,123	83,811
<b>Tax Rate</b>					0%	0%	0%	0%	0%	0%	0%	18%	22%	23%	24%	25%	35%
<b>GAAP Net Income (loss)</b>	(11,281)	(8,048)	(9,126)	(38,012)	(24,857)	(4,596)	(3,454)	(3,265)	(3,334)	(14,649)	(16,766)	2,072	54,198	106,090	157,648	174,369	155,649
Preferred stock dividend	176.24	80.43	8.62	730	(8.00)	364	2.00	2.00	2.00	370							
<b>Net and comprehensive loss available to common stockholders</b>	(11,315)	(9,178)	(9,135)	(38,012)	(25,131)	(4,960)	(3,456)	(3,266)	(3,334)	(15,019)	(16,766)	2,072	54,198	106,090	157,648	174,369	155,649
<b>GAAP-EPS</b>	(0.55)	(1.28)	(0.87)	(1.85)	(0.52)	(0.06)	(2.10)	(1.94)	(0.15)	(9.27)	(0.46)	0.05	1.29	2.51	3.72	4.09	3.64
Non GAAP EPS (dil)	(0.55)	(0.87)	(0.87)	(1.85)	(0.47)	(0.06)	(2.10)	(1.94)	(0.15)	(9.27)	(0.45)	0.05	1.18	2.22	3.17	3.37	2.89
Wgtd Avg Shrs (Bas) - '000s	20,861	2,575	10,444	32,297	48,702	73,205	1,643	1,681	21,683	1,620	36,752	41,914	42,082	42,251	42,420	42,590	42,760
Wgtd Avg Shrs (Dil) - '000s	20,861	2,575	10,444	32,297	63,799	73,205	1,643	1,681	21,698	1,620	37,396	44,066	45,855	47,717	49,655	51,671	53,769

Source: Dawson James

**Important Disclosures:**

**Price Chart:**



**Price target and ratings changes over the past three years:**

- Update – January 11, 2021 – Buy \$4.00
- Update – January 21, 2021 – Buy \$4.00
- Update – February 1, 2021 – Buy \$4.00
- Update – February 25, 2021 – Buy \$5.00
- Update – April 14, 2021 – Buy \$5.00
- Update – May 18, 2021 – Buy \$5.00
- Update – May 26, 2021 – Buy \$5.00
- Update – July 1, 2021 – Buy \$5.00
- Update – August 17, 2021 – Buy \$5.00
- Update – September 22, 2021 – Buy \$5.00
- Update – December 2, 2021 – Buy \$5.00
- Update – January 19, 2022 – Buy \$5.00
- Update – February 14, 2022 – Buy \$5.00
- Update – March 18, 2022 – Buy \$5.00
- Price Target Change – April 12, 2022 – Buy \$3.00
- Rating Change – Buy to Neutral May 16, 2022 – NA
- Update – Neutral September 8, 2022 – NA
- Update – Neutral September 26, 2022 – NA
- Update – Neutral September 29, 2022 – NA
- Update – Neutral October 19, 2022 – NA
- Update – Neutral November 10, 2022 – NA
- Update – Neutral November 18, 2022 – NA
- Update – Neutral December 15, 2022 – NA
- Update – Neutral February 21, 2023 – NA
- Update – Neutral May 2, 2023 – NA
- Update – Neutral May 11, 2023 – NA
- Update – Neutral June 30, 2023 – NA
- Update – Neutral September 19, 2023 – NA

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- 1) **Buy:** The analyst believes the price of the stock will appreciate and produce a total return of at least 20% over the next 12-18 months;
- 2) **Neutral:** The analyst believes the price of the stock is fairly valued for the next 12-18 months;
- 3) **Sell:** The analyst believes the price of the stock will decline by at least 20% over the next 12-18 months and should be sold.

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Current as of 18-Sep-23

	Company Coverage		Investment Banking	
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	23	67.64%	3	8.80%
Market Perform (Neutral)	11	32.36%	3	8.80%
Market Underperform (Sell)	0	0%	0	0.00%
Total	34	100%	6	17.60%

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