

Kintara (NASDAQ/KTRA) – Neutral Rated

September 26, 2023

Kintara: Case Studies in GBM Presented at EANO

Kintara announces the presentation of compelling patient case studies in a poster at the 2023 European Association for Neuro-Oncology (EANO) Annual Meeting in Rotterdam. Presented on 23-Sep, the poster focused on two patient cases from Kintara's Phase 2 study evaluating the safety and tolerability of VAL-083 when administered concurrently with radiation therapy (RT) in newly diagnosed MGMT-unmethylated glioblastoma multiforme (GBM) following surgical resection.

Jason H. Kolbert
Managing Director & Senior Analyst
jkolbert@dawsonjames.com

Investment Highlights

In the first case, a 32-year-old woman with grade four GBM (MGMT-unmethylated) received conventional radiotherapy with concurrent chemotherapy with VAL-083 followed by adjuvant VAL-083 for a total of 13 cycles of VAL-083. The patient was tumor-free and has survived more than four years as of the last follow-up in March 2023.

In the second case, a 49-year-old man with grade four GBM (MGMT-unmethylated) received radiotherapy with concurrent chemotherapy with VAL-083 followed by VAL-083 as an adjuvant for a total of 12 cycles. Two years after the initial treatment with VAL-083 was discontinued, a new lesion was found, and the patient had a second resection, which revealed a grade four astrocytoma. The patient was re-treated with VAL-083 and was stable as of the last follow-up in March 2023.

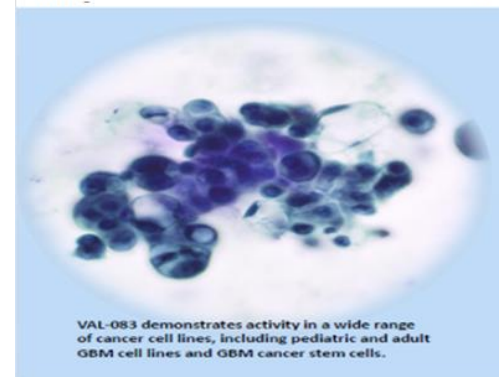
What is VAL-083? It is a bifunctional alkylating agent that causes DNA methylation of guanine at the N7 position. VAL-083 subsequently is not repaired by MGMT and has a potential anti-neoplastic activity. When administered, VAL-083 (which crosses the blood-brain barrier and shows a long half-life) acts 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	\$4.24
Price Target	NA



Source: Kintara

Stock Data			
52-Week Range	\$2.70	-	\$15.50
Shares Outstanding (mil.)	1.7		
Market Capitalization (mil.)	\$7		
Enterprise Value (mil.)	-\$1		
Debt to Capital	0%		
Book Value/Share	\$5.28		
Price/Book	1		
Average Three Months Trading Volume (K)	13		
Insider Ownership	2.8%		
Institutional Ownership	1.7%		
Short interest (mil.)	1.7%		
Dividend / Yield	\$0.00/0.0%		



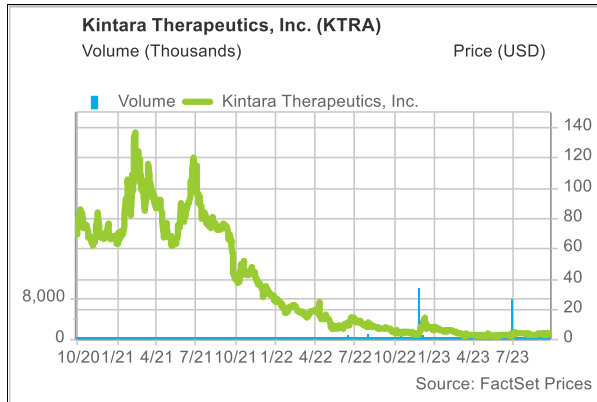
Exhibit 1. Income Statement

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
Revenue (\$000)																	
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)																	
Total Revenue												24,543	99,155	175,257	252,870	280,939	288,907
Expenses																	
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													
Total expenses	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
Oper. Inc. (Loss)	(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	-												
Total non-operating income	36	(350)	-	-	-												
Pretax Income	(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
Tax Rate					0%	0%	0%	0%	0%	0%	0%	18%	22%	23%	24%	25%	35%
GAAP Net Income (loss)	(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							
Net and comprehensive loss available to common stockholders	(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
GAAP-EPS	(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
- Update – Neutral September 26, 2023 – NA

Dawson James Securities, Inc. (the “Firm”) is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).

The Firm does not make a market in the securities of the subject Company(s). The Firm has not engaged in investment banking relationships with the subject company in the prior twelve months, as a manager or co-manager of a public offering and has not received compensation resulting from those relationships. The Firm may seek compensation for investment banking services in the future from the subject Company(s). The Firm has received other compensation from the subject Company(s) in the last 12 months for services unrelated to managing or co-managing of a public offering.

Neither the research analyst(s) whose name appears on this report nor any member of his (their) household is an officer, director or advisory board member of these companies. The Firm and/or its directors and employees may own securities of the Company(s) in this report and may increase or decrease holdings in the future. As of September 22, 2023, the Firm as a whole did not beneficially own 1% or more of any class of common equity securities of the subject company(s) of this report. The Firm, its officers, directors, analysts or employees may affect transactions in and have long or short positions in the securities (or options or warrants related to those securities) of the Company(s) subject to this report. The Firm may affect transactions as principal or agent in those securities.

Analysts receive no direct compensation in connection with the Firm's investment banking business. All Firm employees, including the analyst(s) responsible for preparing this report, may be eligible to receive non-product or service-specific monetary bonus compensation that is based upon various factors, including total revenues of the Firm and its affiliates as well as a portion of the proceeds from a broad pool of investment vehicles consisting of components of the compensation generated by investment banking activities, including but not limited to shares of stock and/or warrants, which may or may not include the securities referenced in this report.

Although the statements in this report have been obtained from and are based upon recognized statistical services, issuer reports or communications, or other sources that the Firm believes to be reliable, we cannot guarantee their accuracy. All opinions and estimates included in this report constitute the analyst's judgment as of the date of this report and are subject to change without notice.

The securities of the Company discussed in this report may be unsuitable for investors depending on their specific investment objectives and financial position. This report is offered for informational purposes only and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited. Additional information is available upon request.

Ratings Definitions:

- 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.

The following chart reflects the range of current research report ratings for all companies, followed by the analysts of the Firm. The chart also reflects the research report ratings relating to those companies for which the Firm has performed investment banking services.

Current as of 22-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%

Analyst Certification:

The analyst(s) whose name appears on this research report certifies that 1) all of the views expressed in this report accurately reflect his (their) personal views about any and all of the subject securities or issuers discussed; and 2) no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst in this research report; and 3) all Dawson James employees, including the analyst(s) responsible for preparing this research report, may be eligible to receive non-product or service-specific monetary bonus compensation that is based upon various factors, including total revenues of Dawson James and its affiliates as well as a portion of the proceeds from a broad pool of investment vehicles consisting of components of the compensation generated by investment banking activities, including but not limited to shares of stock and/or warrants, which may or may not include the securities referenced in this report.