

06 August 2024

## Kicking off FY25 with Important Trial Fully Recruited, \$5.0m Capital Raise

### NEED TO KNOW

- Patient enrolment concluded for Phase 2 combination trial of SNT-5055 in treatment of myelofibrosis (MF)
- Placement to raise ~\$5.0m, bringing cash to ~\$8.5m

**SNT-5055 Phase 2 combination trial in MF has dosed 15th patient – interim data in late 2024:** Syntara has finished patient recruitment for the Phase 2 trial investigating the efficacy and safety of its pan-LOX inhibitor drug candidate, SNT-5055, in combination with ruxolitinib in treating MF. The open-label study (initiated December 2023) has surpassed the FDA's recommended 12-patient minimum. No patients have experienced serious adverse reactions. Syntara expects to release interim results in late 2024.

**Share placement announced, raising ~\$5.0m:** The two-tranche placement will take place at \$0.028/share, with the second tranche to include a \$1.5m investment by KP Rx, a fund managed by a director of Syntara; this requires shareholder approval at a General Meeting (likely August/September). The \$5m cap raise will provide cash flow certainty as Syntara pursues unpaid amounts being challenged by Arna Pharma, the purchaser of the mannitol business; these amounts have been largely marked down as doubtful debt for now. The capital raise will bring Syntara's cash to ~\$8.5m.

### Investment Thesis

**Overall focus on dysfunction of the extracellular matrix (ECM), a key element in many diseases with high unmet need:** The ECM is a network of fibres, collagen and other proteins that link cells to form tissues; it also provides key signals to cells and regulates the movement of molecules between them. Syntara is working to develop powerful inhibitors of enzymes that affect the ECM, using amine oxidase chemistry and other technologies, in order to develop new medicines for blood cancers and inflammatory and fibrosis-related conditions. Many of these diseases have high unmet need.

**Deep clinical pipeline:** Syntara's most advanced clinical asset, SNT-5505, is in Phase 2 clinical trials for primary MF (a rare bone marrow cancer involving fibrosis) and will begin Phase 2 for MDS later in 2024. SNT-5505 is a novel small molecule and irreversible inhibitor to key enzymes involved in forming collagen, specifically the lysyl oxidase (LOX) family of proteins, whose overproduction is implicated in many conditions of chronic inflammation and pathological fibrosis.

**Lots of results coming in the foreseeable future:** The recent addition of the MDS trial means that Syntara is now conducting four Phase 2 trials; thus, the next 18 months should see strong newsflow from the trial results.

### Valuation

We value SNT at A\$234m, or A\$0.20/share (fully diluted), using a risk-adjusted NPV-based sum-of-the-parts and shares on issue (basic) of 1,194m.

### Risks

Our valuation is most sensitive to the clinical risk associated with SNT-5505.

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### Equity Research Australia

#### Pharmaceuticals, Biotechnology/Life Sciences

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Syntara is a clinical-stage drug discovery company developing novel small molecule drugs for inflammatory and fibrotic diseases with major unmet medical need. It is a leader in mechanism-based inhibitors of amine oxidases. It is targeting cancers (e.g., myelofibrosis, pancreatic and liver cancer), diseases of organs including the liver (NASH, liver fibrosis), lungs (pulmonary fibrosis) and kidneys (chronic kidney disease), and fibrotic scarring from burns and other trauma.

<https://syntaratx.com.au/>

Valuation	A\$0.20 (unchanged)
Current price	A\$0.03
Market cap	A\$39m
Cash on hand	A\$3.5m (30 June 2024)

### Upcoming Catalysts / Next News

Period	
Late 2024	SNT-5505 (MF), Phase 2 – mono: analysis/submit for pub'n combination: interim results
2HCY2024	SNT-5505 (MDS, low/int risk) – Commence Phase 1c/2

### Share Price (A\$)



Source: FactSet, MST Access.



# Personal disclosures

Chris Kallos, CFA received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

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Syntara (SNT.AX) | Price A\$0.03 | Valuation A\$0.20;

*Price and valuation as at 06 August 2024 (\* not covered)*

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