

30 January 2025

Progressing on multiple fronts

NEED TO KNOW

- 2Q saw some good progress on key priorities
- Presentation at key conference on positive Phase 2 MF results
- \$18m cash post-cap raise – earmarked for ongoing clinical trials

2Q update shows no surprises, steady progress: Syntara has released its 2Q25 cash flow report, as well as the CEO's regular quarterly report to shareholders, which highlights significant advances made during the quarter. Overall, the release reflects solid progress across several fronts and showcases the company's continued focus on its key priorities.

American Society of Hematology (ASH) presentation – a prestigious highlight: A particular standout from 2Q was Syntara's presentation at the ASH conference in San Diego in December 2024. The company presented positive interim data from its lead program, the Phase 2 trial for SNT-5505 in myelofibrosis (MF). This presentation highlighted results in the trial to date, including tolerability and beneficial results (symptom relief, spleen volume) in MF for SNT-5505 compared to the standard of care (JAK inhibitor ruxolitinib).

Capital raise, R&D tax refund lift cash to \$18m: End-December cash on hand was \$18m, boosted by the receipt of the first tranche of a \$15m capital raise (two-tranche placement at \$0.06/share). The funds will be used for Syntara's ongoing clinical trials in MF and other diseases including myelodysplastic syndromes (MDS), as well as for operational expenditures. Syntara also received a \$4.56m R&D tax incentive refund in the quarter.

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, 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 recruiting for Phase 1c/2a in MDS (separate studies for low-risk and high-risk patients) in 1HCY25. 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 chronic inflammation conditions and pathological fibrosis.

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

Valuation/Risks

We maintain our valuation at A\$234m, or A\$0.20/share, using a risk-adjusted NPV-based sum-of-the-parts pending release of audited 1H25 financials. Our valuation is most sensitive to the clinical risk associated with SNT-5505.

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. www.syntaratx.com.au

Valuation	A\$0.20 (unchanged)
Current price	A\$0.07
Market cap	A\$111m
Cash on hand	A\$18m (31 December 2024)

Additional Resources

For more details, see:

--Our Dec 2024 note, ['Positive interim data in MF trial'](#)

--Syntara's [Dec 2024 presentation to ASH](#)

Upcoming Catalysts / Next News

Period	
1HCY25	Phase 1c/2a in MDS recruitment
1HCY25	Additional interim data in MF
2HCY25	Final results in MF

Share Price (A\$)



Source: EndSof, MST Access

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Year end 30 June, AUD unless otherwise noted

MARKET DATA

Price	\$	0.07
52 week high / low	\$	0.02-0.08
Valuation	\$	0.20
Market capitalisation	\$m	110.6
Shares on issue (basic)	m	1579.3
Options / rights	m	52.5 - includes performance rights
Other equity	m	0.0
Shares on issue (diluted)	m	1631.8

12-MONTH SHARE PRICE PERFORMANCE (AS)



INVESTMENT FUNDAMENTALS		FY23A	FY24A	FY25E	FY26E	FY27E
Reported NPAT	\$m	(11.4)	(13.7)	(11.2)	(3.3)	(6.3)
Underlying NPAT	\$m	(11.4)	(13.7)	(11.2)	(3.3)	(6.3)
Reported EPS (diluted)	¢	(1.7)	(1.4)	(0.7)	(0.2)	(0.4)
Underlying EPS	¢	(1.7)	(1.4)	(0.7)	(0.2)	(0.4)
Growth	%					
Underlying PER	x	nm	nm	nm	nm	nm
Operating cash flow per share	¢	(1.3)	(1.0)	(1.2)	(0.5)	(0.2)
Free cash flow per share	¢	(1.3)	(1.0)	(1.1)	(0.5)	(0.2)
Price to free cash flow per share	x	nm	nm	nm	nm	nm
FCF Yield	%	nm	nm	nm	nm	nm
Dividend	¢	0.0	0.0	0.0	0.0	0.0
Payout	%	0.0%	0.0%	0.0%	0.0%	0.0%
Yield	%	0.0%	0.0%	0.0%	0.0%	0.0%
Franking	%	0.0%	0.0%	0.0%	0.0%	0.0%
Enterprise value	\$m	103.4	107.2	77.3	70.6	77.1
EV/EBITDA	x	nm	nm	nm	nm	nm
EV/EBIT	x	nm	nm	nm	nm	nm
Price to book (NAV)	x	4.7	8.7	24.3	30.2	10.8
Price to NTA	x	5.2	9.4	25.2	31.4	11.0

KEY RATIOS		FY23A	FY24A	FY25E	FY26E	FY27E
EBITDA margin	%	nm	nm	nm	nm	nm
EBIT margin	%	nm	nm	nm	nm	nm
NPAT margin	%	nm	nm	nm	nm	nm
ROE	%	nm	nm	nm	nm	nm
ROA	%	nm	nm	nm	nm	nm
Net tangible assets per share	\$	0.0	0.0	0.0	0.0	0.0
Book value per share	\$	0.0	0.0	0.0	0.0	0.0
Net debt/(cash)	\$m	(7.2)	(3.4)	(2.7)	(9.4)	(2.9)
Interest cover/ (EBIT/net interest)	x	nm	nm	nm	nm	nm
Gearing (net debt/EBITDA)	x	nm	nm	nm	nm	nm
Leverage (net debt/(net debt + equity))	x	nm	nm	nm	nm	nm

DUPONT ANALYSIS		FY23A	FY24A	FY25E	FY26E	FY27E
Net Profit Margin	%	nm	nm	nm	nm	nm
Asset Turnover	x	0.2	0.0	0.0	nm	nm
Return on Assets	%	nm	nm	nm	nm	nm
Financial Leverage	x	nm	nm	nm	nm	nm
Return on Equity	%	nm	nm	nm	nm	nm

KEY PERFORMANCE INDICATORS		FY23A	FY24A	FY25E	FY26E	FY27E
Clinical development pipeline	Indication					Status
SNT-5505	Myelofibrosis					Phase 2a
SNT-5505	Myelodysplastic syndrome					Phase 1c/2a
SNT-6302	Keloid scarring					Phase 2 ready
SNT-4728	isolated REM Sleep Behaviour Disorder (IRBD)					Phase 2

HALF YEARLY DATA		2H22	1H23	2H23	1H24	2H24
Total Revenue	\$m	1.6	9.2	10.0	0.6	5.1
Operating expenses	\$m	(12.5)	(12.6)	(16.0)	(8.1)	(10.9)
EBITDA	\$m	(10.9)	(3.4)	(6.0)	(7.4)	(5.7)
EBIT	\$m	(12.4)	(4.8)	(6.5)	(7.5)	(5.9)
PBT	\$m	1.3	(4.9)	(6.6)	(7.8)	(5.9)
Reported NPAT	\$m	1.3	(4.9)	(6.6)	(7.8)	(7.4)

PROFIT AND LOSS *		FY23A	FY24A	FY25E	FY26E	FY27E
Revenue	\$m	5.8	0.0	6.1	0.0	0.0
Other income	\$m	6.2	5.8	5.8	4.1	4.1
Total Revenue	\$m	15.8	19.2	11.9	4.1	4.1
Operating expenses	\$m	(28.6)	(28.6)	(18.9)	(15.2)	(7.3)
EBITDA	\$m	(9.4)	(9.4)	(13.1)	(11.1)	(3.2)
Depreciation & Amortisation	\$m	(1.8)	(1.8)	(0.2)	(0.1)	(0.1)
EBIT	\$m	(15.5)	(11.3)	(13.4)	(11.2)	(3.3)
Net interest	\$m	0.2	0.1	0.1	0.0	0.0
Pretax profit	\$m	(1.9)	(11.4)	(13.7)	(11.2)	(3.3)
Tax expense	\$m	0.0	0.0	0.0	0.0	0.0
Reported NPAT	\$m	(1.9)	(11.4)	(15.1)	(11.2)	(3.3)
Underlying NPAT	\$m	(11.4)	(15.1)	(15.1)	(11.2)	(3.3)
Shares on issue	m	549.1	722.1	1,194.0	1,623.3	1,766.2

GROWTH PROFILE		FY23A	FY24A	FY25E	FY26E	FY27E
Revenue	%	nm	nm	nm	nm	nm
EBITDA	%	nm	nm	nm	nm	nm
EBIT	%	nm	nm	nm	nm	nm
Reported NPAT	%	nm	nm	nm	nm	nm
DPS	%	nm	nm	nm	nm	nm

BALANCE SHEET		FY23A	FY24A	FY25E	FY26E	FY27E
Cash	\$m	8.9	9.2	3.5	4.8	11.4
Receivables	\$m	8.0	7.8	5.9	0.0	0.0
Other	\$m	2.3	1.6	0.0	0.0	0.0
Current assets	\$m	19.2	18.7	9.8	4.8	11.4
PPE	\$m	3.2	1.8	0.4	0.3	0.3
Intangible assets	\$m	1.0	0.7	0.2	0.1	0.1
Other	\$m	1.7	2.8	0.1	0.1	0.1
Non current assets	\$m	6.0	5.3	0.6	0.5	0.4
Total assets	\$m	25.2	24.0	10.4	9.6	16.0
Trade and other payables	\$m	2.7	4.7	4.3	0.0	0.0
Borrowing	\$m	2.0	2.0	0.2	0.2	0.2
Other	\$m	1.3	1.3	1.0	0.5	0.5
Current liabilities	\$m	6.1	8.0	5.5	0.7	0.7
Borrowing and leases	\$m	2.3	0.0	0.0	0.0	0.0
Other liability	\$m	6.4	6.4	0.3	0.2	0.1
Non current liabilities	\$m	8.3	6.4	0.3	0.2	0.1
Total liabilities	\$m	14.4	14.5	5.7	0.8	0.8
Net assets	\$m	10.8	9.6	4.7	3.8	10.5
Share capital	\$m	380.4	389.7	399.3	415.2	425.2
Retained earnings	\$m	(393.1)	(404.5)	(419.6)	(431.7)	(435.0)
Other	\$m	23.5	24.3	25.0	25.0	25.0
Total equity	\$m	10.8	9.6	4.7	3.8	10.5

CASH FLOW		FY23A	FY24A	FY25E	FY26E	FY27E
Net loss for period	\$m	(1.9)	(11.4)	(15.1)	(11.3)	(3.3)
Depreciation & Amortisation	\$m	3.2	1.8	0.2	0.1	0.1
Changes in working capital	\$m	(5.9)	(0.1)	0.5	1.6	0.0
Other	\$m	2.3	2.3	(0.1)	1.3	0.3
Operating cash flow	\$m	(6.3)	(7.3)	(14.5)	(8.3)	(2.9)
Payments for PPE	\$m	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)
Other	\$m	0.0	0.0	1.5	0.0	0.0
Investing cash flow	\$m	(0.3)	(0.1)	1.5	(0.0)	(0.0)
Equity	\$m	9.1	9.3	9.3	14.1	10.0
Lease liability payments	\$m	(2.4)	(2.2)	(2.1)	(0.1)	(0.1)
Other	\$m	(0.0)	(0.0)	(0.0)	0.0	0.0
Financing cash flow	\$m	6.6	7.0	7.2	14.0	9.9
Cash year end	\$m	8.9	9.2	3.5	4.8	11.4
Free cash flow	\$m	(16.6)	(7.4)	(13.0)	(8.4)	(3.1)

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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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