Syntara Limited
ABN 75 082 811 630

ASX Half year report – 31 December 2023

Lodged with the ASX under Listing Rule 4.2A

This report is to be read in conjunction with the financial statements for the year ended 30 June 2023 and any public announcements made by Syntara Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Contents

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ABN 75 082 811 630

Reporting period: Half year ended 31 December 2023
(Previous corresponding period: Half year ended 31 December 2022)

Results for announcement to the market

		A$'000		A$'000
Revenue from ordinary activities	**Up**	**21**	to	**701**
Loss from ordinary activities after tax attributable to members	**Down**	**667**	to	**7,779**
Profit from discontinued operations after tax attributable to members	**Down**	**1,740**	to	**1,830**
Loss for the half year attributable to members	**Up**	**1,073**	to	**5,949**

Dividends

It is not proposed to pay a dividend.

Other Appendix 4D information

	31 December 2023	31 December 2022
Net tangible assets per ordinary share	**$ 0.007**	$ 0.020

Subsidiaries sold during the period:
The sale of the Company's mannitol business unit during the half year included two non-operating wholly owned subsidiaries:

- Pharmaxis Pharmaceuticals Limited
- Pharmaxis Europe Limited

Syntara Limited (formerly Pharmaxis Ltd)
Half-Year Report - 31 December 2023

Contents

This half-year report covers Syntara Limited. The financial statements are presented in the Australian currency.

Syntara Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Syntara Limited
ABN: 75 082 811 630
20 Rodborough Road
Frenchs Forest, NSW 2086
Australia

Subsequent to shareholder approval on 28 November 2023, on 4 December 2023 the company changed its name from Pharmaxis Ltd to Syntara Limited.

This half year financial report does not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the financial statements for the year ended 30 June 2023 and any public announcements made by Syntara Limited during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities in the directors' report which is not part of these financial statements.

The half-year report was authorised for issue by the directors on 29 February 2024. The Company has the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the group. Press releases, financial statements and other information are available on our website: www.SyntaraTX.com.au.

Your directors present their report on the consolidated entity consisting of Syntara Limited and the entities it controlled (the Group) at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were directors of the Company during the half-year and up to the date of this report:

Kathleen Metters (Chair)
Gary Phillips (Chief Executive Officer)
Simon Green
Hashan De Silva
Malcolm McComas (retired 3 October 2023)
Neil Graham (retired 3 October 2023)

Principal activities, review of operations and significant changes in the state of affairs

Overview

Syntara is a clinical-stage drug development company working to develop life-changing treatments to patients. The Company is targeting extracellular matrix (ECM) dysfunction with its world-leading expertise in amine oxidase chemistry to develop novel medicines for blood cancers and conditions linked to inflammation and fibrosis. The ECM is a crucial component of the cell microenvironment, both under normal as well as fibrotic and inflammatory-driven disease states. By developing effective inhibitors of the key enzymes involved, the Company seeks to correct dysfunction within the ECM, leading to positive outcomes in a range of diseases with high unmet need, including haematological malignancies such as myelofibrosis (MF) and myelodysplastic syndrome (MDS), chronic fibrosis (including skin scarring, pulmonary fibrosis, chronic kidney disease, NASH and cardiac fibrosis) and neuroinflammation.

Prior to October 2023, the Company also operated a mannitol respiratory business unit (MBU). The MBU manufactures and sells the approved products Bronchitol® and Aridol® from a purpose built manufacturing facility in Frenchs Forest, Sydney. Bronchitol is an inhaled dry powder for the treatment of cystic fibrosis and is marketed in Europe, Russia, Australia and the United States. Aridol is a lung function test for asthma and is approved and sold in the United States, Europe, Australia, Canada and Asia.

On 3 October 2023 the Company announced the sale of the MBU to Arna Pharma Pty Ltd, (Arna Pharma) an Australian company that is part of an alliance of companies with healthcare and pharmaceutical operations in Australia and major world markets. The sale included the only two subsidiaries of Syntara.

The sale of the MBU completed on 18 October 2023 and the Company has progressed a staged transition of the MBU across to Arna Pharma. Syntara and Arna Pharma have recently amended their agreement to shorten the transition period and allow for the early termination of Syntara's lease of the Frenchs Forest facility. Effective 1 February 2024 Arna Pharma had full responsibility for all aspects of the MBU other than the lease on the facility. Early termination of Syntara's lease is expected to be completed in March 2024 at which time Syntara intends to simultaneously enter a sub-lease over its drug discovery laboratories from Arna Pharma who will take up a new lease on the Frenchs Forest facility.

The MBU sale and associated Syntara restructure results in a reduction of annual core costs, excluding external research costs, of more than 60%, saving the Company over $14m per year. This is due in large part to the elimination of costs attached to operating a global pharmaceutical manufacturing and distribution business and a headcount that drops from approximately 70 to approximately 25.

The financial statements are prepared on the basis that the sale of the MBU completes in the financial year ended 30 June 2024. The assets and liabilities being sold have been disclosed as held for sale and income statements adjusted to reflect the discontinued operations.

On 3 October the Company also announced the retirement from the Board of Mr Malcolm McComas and Dr Neil Graham. Mr McComas served as a director for over twenty years, eleven as chair, Dr Graham served for three years as a non-executive director.

On 5 December 2023, the Company received its 2023 R&D tax credit of $5.2 million and the Company subsequently repaid a $4.4 million loan and associated charges. On 19 December 2023, the Company announced a placement and corresponding share purchase plan which ultimately raised a gross amount of approximately $10.3 million before costs of the offers.

The management and continuing Board of Directors have significant relevant experience in drug discovery, development and commercialisation of pharmaceutical products.

Overview of Company strategy and prospects

The Company's strategy is to develop new and life-changing treatments for patients. The Company is targeting ECM dysfunction with its world-leading expertise in amine oxidase chemistry to develop novel medicines for blood cancers and conditions linked to inflammation and fibrosis. This strategy involves advancing a pipeline of development assets through clinical development to the point where it can enter into collaborative partnerships and strategic alliances with other life science companies to advance the programs and enable the Company to maintain its financial and operational capacity and continue the development of other pipeline assets. The Company does so using its internal development resources but also in conjunction with a number of contract research organisations and external research collaborators. Specifically, the Company will aim to partner new drugs at the phase 1 or phase 2 stage of development, but does not plan to undertake extensive and expensive phase 3 clinical trials or regulatory approval and reimbursement processes. The intention is that these stages of development and commercialisation will be the responsibility of partners. The expenses associated with new drug development are comparatively small in the early stages compared to the clinical development phase and the costs only increase as the results of research work justifies advancing the specific project towards the clinic.

The sale of the MBU allows the Company to focus on its clinical development activities and reduces to the Company's expenditure. The progress the Company has made on in its main drug development programs are described below.

New drug development

Syntara is now fully focussed on development of the Company's pipeline, primarily SNT-5505 in haematological malignancies. During the current half-year the Company made progress in its drug development pipeline as follows:

Oral pan-LOX inhibitor program (SNT-5505) in myelofibrosis

Syntara' primary drug development initiative is its pan-Lysyl Oxidase (pan-LOX) inhibitor program focussed on the rare bone cancer myelofibrosis (MF). MF is a cancer with a poor prognosis and limited therapeutic options. Syntara believes that the current treatments can be augmented by use of a pan-LOX inhibitor and the combination should be disease modifying in a market that is conservatively worth in excess of US$1 billion per annum.

SNT-5505 is an orally taken drug that inhibits the lysyl oxidase family of enzymes and was developed from the Company's amine oxidase chemistry platform. In pre-clinical models of myelofibrosis SNT-5505 reversed the bone marrow fibrosis that drives morbidity and mortality in myelofibrosis and reduced many of the abnormalities associated with this disease. SNT-5505 was granted Orphan Drug Designation by the US Food and Drug Administration (FDA) in July 2020.

A phase 1c/2a clinical trial (named MF-101), cleared by the FDA under the Investigational New Drug scheme, aimed to demonstrate that SNT-5505 is safe and well tolerated as a monotherapy in myelofibrosis patients who are intolerant, unresponsive or ineligible for treatment with approved JAK inhibitor drugs. The trial had additional secondary endpoints to explore the impact of inhibiting lysyl oxidase enzymes on a number of important disease parameters such as bone marrow fibrosis, cytopenia and spleen volume.

The phase 1c stage of the clinical trial MF-101 was completed successfully and a dose was selected to progress into the phase 2a stage of the study, with completion of the recruitment of 24 targeted patients during the half-year. During the half year Syntara released interim data on the first ten patients to have completed the full 24 weeks of treatment. These results were presented at American Society of Hematology (ASH) in San Diego in December. In summary:

Safety endpoints:

- SNT-5505 was well tolerated with no serious treatment related adverse events reported
- The majority of adverse events were mild and not related to treatment
- 11 patients dropped out of the study, none treatment related.

Efficacy endpoints:

- Five out of ten 10 evaluable patients had improved bone marrow fibrosis scores of ≥1 grade
    - Four out of five fibrosis responders demonstrated stable haematological parameters
    - Three out of five patients reported symptomatic improvement
- four patients had an improvement in symptom score of >20%
- seven patients had stable/improved haemoglobin (Hb) counts
- eight patients had stable/improved platelet counts; three of these eight patients entered the study with Grade 4 (potentially life-threatening) thrombocytopaenia

- No spleen volume response (SVR35) was identified. It was noted that:
    - Patients had a relatively smaller spleen size at baseline
    - The majority of patients stopped JAK inhibitor treatment less than 1 month before commencing treatment

In December 2023 Syntara announced the commencement of dosing of a new combination arm of the clinical trial MF-101, following a Type C Meeting with the US Food and Drug Administration (FDA) earlier in the year. Subsequent to examination by the FDA of a package of safety and efficacy information from the monotherapy arm of the trial the FDA provided guidance on the number of patients, treatment dosage, study duration and endpoints for a study in combination with a JAK inhibitor as standard of care. Syntara subsequently submitted a clinical trial protocol amendment to global regulators, including the FDA, adding an arm to the existing study (MF-101) and utilising existing trial sites. The trial design was streamlined to initiate the combination arm at the same dose currently used in the monotherapy arm and the amended trial protocol was cleared by the FDA without amendment under the Investigational New Drug (IND) scheme. This second arm of the phase 2a trial MF-101 aims to demonstrate that SNT-5505 is safe and effective in myelofibrosis patients who are sub-optimally controlled on the market leading JAK inhibitor, ruxolitinib. Full recruitment of 15 patients is targeted for the second quarter of 2024 from 19 clinical trial sites in Australia, South Korea, Taiwan and the USA. As at the date of this report five patients have been recruited of the target 15 patients. This open label study is expected to report interim data on the first 6 months of treatment in the fourth quarter of calendar 2024 and final data from twelve months treatment in the second quarter of calendar 2025.

The primary end point of the study is safety. Secondary end points include:

- Characterize pharmacokinetic and pharmacodynamic parameters
- Determine reduction in bone marrow fibrosis
- Determine response rates as defined by International Working Group (IWG)-Myeloproliferative Neoplasms Research and Treatment criteria
- Evaluate efficacy of SNT-5505 in spleen size reduction measured by CT or MRI scan
- Evaluate the efficacy of SNT-5505 on MF related symptoms based on MF-SAF scores (Myelofibrosis Symptom Assessment Form)
- Evaluate platelet response
- Explore the impact of PXS-5505 on ruxolitinib dosing
- Explore the correlations between biomarkers of disease burden and high-molecular risk genes

Oral pan-LOX inhibitor program (SNT-5505) in myelodysplastic syndrome

On 14 February 2024 Syntara announced a new phase 2 trial in MDS in conjunction with the University of Newcastle and Australasian Leukaemia and Lymphoma Group, subsequent to the awarding of a $0.83m grant process by the Australian Medical Research Future Fund. Syntara's contribution to the MDS study is $700k over the three years the dose escalation and expansion phases are expected to run, as well as supplying the study drug and LOX assays on tissue samples taken during the study.

Blood cancers are on the rise and now represent the second most common cause of cancer-related deaths in Australia. Myelodysplastic syndromes are a significant subset of these blood cancers where abnormal tissue growth leads to bone marrow failure, often featuring low blood counts leading to infections, transfusion dependence and risk of progression to acute myeloid leukemia, a more aggressive form of blood cancer. Five-year overall survival rate for transfusion dependent MDS is only 37%.

The MDS trial will feature a dose escalation phase where up to 9 MDS patients who are transfusion dependent will be treated with a fixed dose of SNT-5505 and two different doses of a hypomethylating agent followed by a dose expansion phase where 30 patients will be treated for 6 months on the dose combination selected in the first phase, based on tolerability and efficacy. Endpoints will include the reduction in transfusion dependency, haematological parameters and quality of life. Results from the dose escalation phase including safety and preliminary efficacy endpoints are anticipated by mid calendar year 2025.

The scientific rationale for MDS trial is based on a scientific collaboration with the University of Heidelberg who published their work in Nature Communication in early in 2023 on the role of lysyl oxidase enzymes in MDS and the effect of combining hypomethylating agent 5-azacytidine with Syntara' pan-lysyl oxidase inhibitor, SNT-5505. The authors concluded that the significant increase in red blood cell production evidenced in their studies makes a strong case for trialling SNT-5505 combined with the current standard of care in MDS patients (5-azacytidine), especially those who are anaemic.

Oral pan-LOX inhibitor program (SNT-5505) in other cancers

While Syntara' primary focus is the development of SNT-5505 for myelofibrosis the drug has potential in several other cancers including MDS (see above), hepatocellular carcinoma (liver cancer) and pancreatic cancer. Syntara has a

number of scientific collaborations with centres of excellence across the world who have shown interest in SNT-5505.

In August 2023 Pharmaxis announced publication in the prestigious journal Nature Cancer of preclinical results showing PXS-5505 increases survival by 35% compared to chemotherapy treatment alone in the treatment of pancreatic ductal adenocarcinomas. Research in mouse models, led by a team at the Garvan Institute of Medical Research in Sydney, Australia, also showed PXS-5505 combined with chemotherapy reduced the spread of the cancer to other organs such as the liver by 45%. Pancreatic ductal adenocarcinoma is one of the most aggressive forms of pancreatic cancer with a five-year survival rate of less than 10%.

In earlier research performed by the Wilmot Cancer Institute, University of Rochester, the combination of PXS-5505 and standard of care in preclinical models demonstrated a novel therapeutic strategy for liver cancer.

Topical pan-LOX inhibitor program (SNT-6302)

Syntara has a second pan-LOX program that has developed a drug for topical application with the potential for use in scar revision, keloid scarring and scar prevention post-surgery. The Syntara discovery, SNT-6302, has shown promising pre-clinical results which have been published in Nature Communications. SNT-6302 inhibits the enzymes that play a critical role in the development of scar tissue and has successfully completed phase 1a/b clinical trials. Syntara, with the University of Western Australia (UWA) and the Fiona Stanley Hospital, has progressed the program into a trial in established scars and is planning further trials. The established scars trial reported in the prior financial year.

Continuing its collaboration with Professor Wood and the University of Western Australia, the Company is currently recruiting a clinical trial in scar prevention using its oral pan-LOX inhibitor SNT-5505, to establish the fastest clinical proof of concept. Further detail will be provided when the study commences dosing patients, expected in the first half of CY 2024.

SSAO inhibitor program (SNT-4728)

The Syntara discovery SNT-4728 is a potent inhibitor of the inflammatory enzyme SSAO (semicarbazide-sensitive amine oxidase) and, also in the brain, MAOB (monoamine oxidase B). In November 2023 the first Australian patient was dosed in a randomised double-blind placebo controlled Phase 2 study of patients with isolated Rapid Eye Movement Sleep Behaviour Disorder (iRBD) who are at risk of Parkinson's disease. Previous research has identified that the development of iRBD, where otherwise healthy people start acting out their dreams, is the strongest predictor for the development of Parkinson's and dementia with Lewy Bodies. A recent multicentre study found that over 70% of iRBD patients transitioned to a neurodegenerative disease.

The study will examine whether targeting inflammation in the brain of people with iRBD might provide a viable neuroprotective strategy to prevent the disease. iRBD patients have very few treatment options available so this study provides hope for an effective treatment with potential to move towards the longer term goal of stopping neurodegeneration.

Working in collaboration, experts from the University of Sydney and the University of Oxford are recruiting 40 patients with iRBD to participate in a 3-month Phase 2 trial to evaluate whether SNT-4728 can reduce neuroinflammation as measured by state of the art nuclear scanning techniques.

Syntara expects to commence recruitment in the UK centre in the first half of the 2024 calendar year when the regulatory approval steps are complete. The trial will continue throughout 2024 with results expected by mid calendar year 2025.

SNT-4728 has passed all long term toxicity studies and has been well tolerated in all clinical studies including two Phase 2 studies in other indications. The study is substantially funded by leading charity Parkinson's UK with up to £2.9m (~A$5m) to be paid to Syntara to run the Phase 2 trial. The Parkinson's Virtual Biotech will receive a return of up to four times its funding from royalties on future revenue Syntara receives from commercialising SNT-4728.

Early stage programs

The Lysyl Oxidase Like 2 (LOXL2) enzyme is fundamental to the fibrotic cascade that follows chronic inflammation in kidney fibrosis, the liver disease NASH, cardiac fibrosis and idiopathic pulmonary fibrosis (IPF) and it also plays a role in some cancers. The Syntara drug discovery group developed a small molecule inhibitor to the LOXL2 enzyme (SNT-5382) that has completed phase 1 clinical trials and 3-month toxicology studies.

Syntara is currently pursuing a number of different options to enable SNT-5382 to enter the clinic in phase 2 trials in a chronic fibrotic disease and continues discussions with independent investigators in relation to study protocol design and funding options including grants.

Financial Highlights

Other revenue

The Company received other revenue of $76,000 for the half year ended 31 December 2023 compared to $41,000 for the half year ended 31 December 2022. Other revenue represents interest income earned on cash balances and the higher amount is primarily attributable to higher interest rates during the current period.

Other income

The Company received other income of $0.6 million for the half year ended 31 December 2023 compared to $0.6 million for the half year ended 31 December 2022, and for both years represents recognition of grant payments received from Parkinson's UK based on costs incurred by the Company in relation to the clinical trial to which the grant relates and sublease of excess office and warehouse space.

Employee costs

Employee related expenses were $3.5 million in the half-year ended 31 December 2023, an increase of $0.3 million on the half-year ended 31 December 2022. Employee costs include share based payments (non-cash) totalling $0.3 million in the 2023 half year period, compared to $0.4 million in the corresponding 2022 half year period. At 31 December 2023 the Company employed 27 full time equivalents excluding employees engaged in the discontinued MBU. (31 December 2022: 27).

Administration & corporate

Administration and corporate expenses include accounting & IT, legal & compliance, public company costs, patent portfolio and insurance costs. Administration expenses were $1.4 million in the 2023 half-year period compared to $1.1 million in the 31 December 2022 half year. A number of costs increased, including professional fees associated with the restructure of the business and the short term loan obtained and repaid within the half year associated with the 2023 R&D tax credit.

Clinical trials

Clinical trials expenses were $2.7 million in the half-year ended 31 December 2023 compared to $2.5 million in the half-year ended 31 December 2022. Clinical trial expenses relate to external costs incurred and are predominately driven by fees paid to the clinical research organisations contracted to manage the clinical trials. In both the 2023 and 2022 half years clinical trial expenses predominantly related to the oral pan-LOX inhibitor program in MDA as well as smaller amounts in relation to the clinical trial programs associated with the topical pan-LOX inhibitor program for scarring and the SSAO inhibitor trial in iRBD.

Drug development

Drug development expenses were $0.6 million for the half-year ended 31 December 2023 compared to $0.9 million in the half-year ended 31 December 2022. The drug development expenses predominantly consist of external costs paid to contract research organisations to support the development and selection of new drug candidates that are then progressed through the pre-clinical development path. Drug development expenses also include the costs incurred in running the Company's research laboratory (excluding any allocation of utilities). Drug development expenditure in the 2023 and 2022 half years included the oral and topical pan-LOX inhibitor programs.

Foreign exchange gains & losses

Foreign exchange gains were $0.4 million in the half-year ended 31 December 2023 compared to losses of $1.0 million in the half-year ended 31 December 2022. The Company holds cash deposits in US dollars and Euros to be utilised for future contractual obligations in those currencies and therefore records foreign exchange gains and losses on those deposits at each period end.

Depreciation & amortisation

Depreciation and amortisation expense was $0.1 million in the half-year ended 31 December 2023, compared to $0.1 million in the year ended 31 December 2022. The assets of the continuing business are mostly fully depreciated/amortised.

Finance expenses

Finance expenses were $0.4 million in the half-year ended 31 December 2023 (2022: nil) relates to the short term advance received and repaid in the half year.

Income tax expense

The Company did not earn any taxable income.

Discontinued operations

As further detailed in the financial statements the current half year and prior half year revenues and expenses of the mannitol business unit (MBU) have been reclassified as discontinued operations, together with the profit on sale of the MBU.

Likely Developments and Expected Results of Operations

Subsequent to final completion of the sale and related transition stage of the MBU and early termination of the lease over the Frenchs Forest facility, the Company has the right to receive payments including future royalties from the purchaser of the MBU but no other exposure to the risks of the MBU, other than liabilities of the MBU relating to the period prior to completion, credit risk related to amounts receivable from the purchaser, any contractual liability arising under the agreement for the sale of the MBU or relating to the transition services provided to Arna Pharma. As discussed separately in the financial statements the Company has not at this time recognised the future royalties as an asset on the basis of uncertainty.

Syntara's business success is currently substantially dependent on its ability to successfully advance the clinical development of SNT-5505 in a timely manner. The Company's strategy involves advancing a pipeline of development assets through clinical development to the point where it is able to enter into collaborative partnerships deals and strategic alliances with other life science companies to advance the programs and enable us to maintain our financial and operational capacity. Successful clinical trial results can be the basis of partnering/collaborating with large life science companies and may include the receipt by the Company of substantial income over a number of years, as evidenced by the sale of the Company's drug PXS-4828 to Boehringer Ingelheim in 2015. Successful clinical trial results can also be the basis of a capital raising to conduct further clinical trials with the objective of having a more valuable asset to partner/sell to a large life science company.

The Company has four clinical trials in patients in about which it expects to release safety and efficacy data in 2025: SNT-5505 in myelofibrosis, SNT-5505 in MDS, SNT-5505 in acute burns scars and SNT-4728 in iRBD. Details of these clinical trials are provided elsewhere in this report in addition to other reports and presentations released by the Company.

Material business risks

Key risks that could affect the ability of the Company to achieve its financial objectives, are summarised below:

Funding requirements: A key risk set out in the Company's annual report for the year ended 30 June 2023 was the Company's ability to continue as a going concern. Refer also to the Going concern note set out below. Since the 30 June 2023 annual report, the Company has improved its financial position primarily by raising capital through the two tranche placement announced in December 2023 and by materially reducing its expenses through the sale of the MBU. Notwithstanding, to achieve its goals, the Company will in the future require substantial additional funds which may be dilutive or that may not be available to the Company on favourable terms or at all. The Company's future funding requirements and the timing of that funding will depend on many factors, including, the cost, timing, progress and success of its R&D and clinical programs, whether it is able to enter into collaborative partnerships and strategic alliances, the status and timing of competitive developments, and its ability to manage its costs and expenses. If the Company is unable to obtain additional funds when required, the Company may be forced to delay, reduce the scope or eliminate one or more clinical trials or research and development programs or future commercialisation efforts.

Clinical development may not be successful: Before obtaining regulatory approval for the commercial sale of any of the products, it is necessary to complete preclinical development and extensive clinical trials in humans to demonstrate the safety and efficacy of the relevant product. Clinical trials are subject to extensive regulation, are expensive, time consuming, subject to delay and their outcome uncertain. Failure can occur at any stage of the clinical testing or approval process. Negative or inconclusive results or adverse medical events during a clinical trial could cause the clinical trial to be delayed, redone or terminated. Success in pre-clinical and early clinical trials is not a guarantee of future results nor does it ensure that later large scale trials will be successful. The existing clinical trials of the Company's drugs are described above. These trials (and any future clinical trials) may not show sufficient safety or efficacy to:

- warrant progressing to the next phase of development;

- enable the Company to partner the drugs to enable the continued clinical development;
- obtain regulatory approval to sell the product; or
- demonstrating the advantages of the product over competitive products.

This may mean that the Company is unable to continue the development of one or more of its product candidates or ultimately partner and generate revenue from those product candidates which may render prior work and expenditure, worthless.

The time and cost to undertake clinical trials and obtain regulatory approval may be significantly more than expected: The length of time and the cost necessary to complete clinical trials may vary significantly. There are numerous factors that could affect the timing, progress or prevent the Company from completing these trials successfully, which include:

- delays in securing clinical investigators, trial sites and approvals for trials;
- slower than anticipated recruitment of eligible patients or the loss of patients during the trials;
- the requirement to repeat clinical trials or undertake additional large clinical trials;
- unforeseen safety issues or adverse side effects or fatalities;
- shortages of available product supply of the necessary standard; and
- problems with investigator or patient compliance with the trial protocols.

The Company may not be able to enter into collaborative partnership deals: An important element of the Company's strategy involves advancing its pipeline of product candidates through clinical development to the point where it is able to enter into collaborative partnerships and strategic alliances with life science companies that can advance the Company's programs. The Company may not be able to negotiate these sorts of deals on acceptable terms, if at all. Even if can, it may place the development and commercialisation of its products outside its control, may require it to relinquish important rights or may otherwise be on terms unfavourable to the Company.

Products may not receive regulatory approval: The process to obtain regulatory authorisation is expensive, complex, lengthy and the outcomes uncertain. Failure can occur at any stage of the clinical testing or approval process. The Company and its partners (if any) may not be able to obtain marketing authorisations for some or all of its product candidates in key jurisdictions, or those authorisations may be delayed or subject to significant limitations in the form of narrow indications, warnings, precautions or contra-indications with respect to conditions of use.

Even if a product is partnered and obtains regulatory approval, there is a risk that it may not warrant launch or even if launched, may not be successful in the market: There is a risk that the product candidates developed by the Company, even if they receive regulatory approval may not gain adequate market acceptance. The degree of market acceptance will depend on a variety of factors, including: the ability to demonstrate safety and efficacy and the prevalence and severity of any side effects; the level of support from clinicians; the relative convenience and ease of administration; cost-effectiveness compared to other treatments; the availability of reimbursement from national health authorities; the timing of market introduction and clinical profile of competitive products; and the success of marketing and sales efforts.

The Company may not be successful in developing or securing new product candidates: Although the Company already has an existing pipeline, it continues to spend limited resources researching and developing new product candidates. From time to time, it also considers in-licensing potential new product candidates. There is a risk that its research and development programs may not yield, or that it may not be able to in-license, additional product candidates suitable for further investigation through clinical trials.

Residual risks associated with the MBU: Notwithstanding the sale of the MBU, the Company has certain residual risks associated with the MBU, including: the risks for liabilities arising from the operation of the MBU prior to completion of the sale; credit risk related to amounts receivable from the purchaser; and potential contractual liability arising under the sale and associated agreements. Although the primary purpose of the sale was to reduce operating costs for the Company, some of the consideration payable by the purchaser is in the form of royalties. The potential of royalties is subject to a range of factors including that the level of sales of Bronchitol and Aridol and certain of the purchaser's other products, over which the Company has no control.

The above list of risk factors is not intended to be an exhaustive list of the risks faced by the Company, but rather highlight key risks that may impact the financial objectives of the Company. For example, it does not address other more general risks that may affect the Company or its industry in general which include risks associated with; manufacturing of clinical materials; ongoing regulatory compliance; competition; intellectual property protection and infringement; dependence on key personnel; litigation; and changes in law. Additional information concerning risks impacting the Company are detailed in the Company's Risk Statement (August 2023) and in the equity raising presentation dated 19 December 2023, both available on the Syntara website.

Events occurring after the end of the reporting period

On 6 February the Company closed the second tranche of the private placement issuing 346 million shares for a total of $7.6 million, before transaction related expenses.

On 2 February the Company announced the closure of its share purchase plan which raised $0.3 million before transaction related expenses.

On 14 February 2024 the Company announced that its lead asset SNT-5505 would commence a phase 2 trial evaluating combination treatment of SNT-5505 with chemotherapy in patients with low and intermediate risk myelodysplastic syndrome (MDS) to commence later this year, subsequent to the Australian Medical Research Future Fund awarding a $0.83m grant to the University of Newcastle and its partners Syntara and the Australasian Leukaemia and Lymphoma Group.

On 29 February 2024 the Company executed an amended business sale agreement with Arna Pharma which allowed for an early lease termination, the effect of which was to bring forward the end of the transition period. Effective 1 February 2024 Arna Pharma had full responsibility for all aspects of the MBU other than the lease on the facility. Early termination of Syntara's lease is expected to be completed in March 2024 at which time Syntara intends to simultaneously enter a sub-lease over its current drug discovery laboratories from Arna Pharma who will take up a new lease on the Frenchs Forest facility.

Except for the above, no matters or circumstances have arisen since 31 December 2023 that have significantly affected, or may significantly affect:

(a) the group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the group's state of affairs in future financial years.

Going concern

During the half year ended 31 December 2023, the Group incurred an operating loss of $5.9 million (31 December 2022: $4.9 million) and net operating cash outflows of $4.9 million (31 December 2022: $1.0). As at 31 December 2023, the Group has cash and cash equivalents of $5.7 million (30 June 2023: $9.2 million). Subsequent to the end of the period the closed the second tranche of the private placement receiving a total of $7.6 million, before transaction related expenses.

The Group's ability to continue as a going concern, to recover the carrying value of its assets and meet its commitments as and when they fall due is dependent on the ability of the Group to continue to be eligible to receive revenue from the Parkinson's UK grant and the R&D tax credit, and to manage its cost base particularly its investment in its drug development pipeline with its cash currently available, realisation of its other current assets including amounts owed by the purchaser of the MBU, and with additional funding.

The additional funding will be made available from:

- securing new partnering arrangements for programs currently in its drug development pipeline;
- release of security over a $921,000 deposit subsequent to termination of the Frenchs Forest lease.
- R&D tax incentive income; and/or
- access to additional sources of equity share capital.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Board and management, having assessed the best available information at this time including detailed cash flow forecasting and initiatives currently being pursued, believe that:

- the Group will be successful in managing within currently available funds and/or obtaining additional funds as outlined above and, accordingly, have prepared the financial statements on a going concern basis, and
- no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 31 December 2023. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in the Financial/Directors' Report) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the directors' report and financial statements have been rounded off to the nearest thousand dollars in accordance with that Instrument.

This report is made in accordance with a resolution of the directors.

Gary J Phillips
Director
29 February 2024

Auditor's Independence Declaration

As lead auditor for the review of Syntara Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Syntara Limited and the entities it controlled during the period.

David Ronald
Partner
PricewaterhouseCoopers

Sydney
29 February 2024

Syntara Limited

Consolidated income statement

For the half-year ended 31 December 2023

	31-Dec 2023 $'000	31-Dec 2022 $'000
Continuing operations		
Other revenue	76	41
Other income	625	639
	701	**680**
Expenses from ordinary activities		
Employee costs	(3,483)	(3,189)
Administration & corporate	(1,355)	(1,059)
Rent, occupancy & utilities	(139)	(214)
Clinical trials	(2,657)	(2,526)
Drug development	(646)	(888)
Safety, medical and regulatory affairs	(7)	(7)
Other	(141)	(155)
Depreciation & amortisation	(79)	(52)
Foreign exchange gains & losses	378	(1,036)
Finance costs	(351)	-
	(8,480)	**(9,126)**
Net profit / (loss) before income tax – continuing operations	**(7,779)**	**(8,446)**
Net profit / (loss) after income tax – discontinued operations	1,830	3,570
Income tax expense	-	-
Net profit / (loss) for the period	**(5,949)**	**(4,876)**
Earnings per share:	**Cents**	**Cents**
Basic earnings / (loss) per share from continuing operations	(0.01)	(0.01)
Diluted earnings / (loss) per share from continuing operations	(0.01)	(0.01)

The above consolidated income statement should be read in conjunction with the accompanying notes.

Syntara Limited

Consolidated statement of comprehensive income

For the half-year ended 31 December 2023

	31-Dec 2023 $'000	31-Dec 2022 $'000
Net profit / (loss) for the period	**(5,949)**	**(4,876)**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss	-	-
Exchange differences on translation of foreign operations	-	-
Other comprehensive income / (loss) for the period, net of tax	-	-
Total comprehensive income / (loss) for the period	**(5,949)**	**(4,876)**
Total comprehensive income / (loss) for the period is attributable to:		
Continuing operation	(7,779)	(8,446)
Discontinued operation	1,830	3,570
Owners of Syntara Limited	**(5,949)**	**(4,876)**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Syntara Limited

Consolidated balance sheet

As at 31 December 2023

	Notes	31-Dec 2023 $'000	30-Jun 2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents		5,694	9,230
Trade and other receivables		1,373	7,807
Receivable from purchaser of mannitol business unit		5,371	-
Inventories		-	1,641
Leased building		418	-
Sub-total current assets		12,856	18,678
Assets related to discontinued operations		73	-
Total current assets		**12,929**	**18,678**
Non-current assets			
Receivables		47	2,823
Property, plant and equipment		172	1,843
Intangible assets		607	682
Total non-current assets		**826**	**5,348**
Total assets		**13,755**	**24,026**
LIABILITIES			
Current liabilities			
Trade and other payables		4,230	4,717
Borrowings		453	2,043
Other liabilities		1,882	285
Provisions		838	988
Total current liabilities		**7,403**	**8,033**
Non-current liabilities			
Other liabilities		-	6,318
Provisions		83	116
Total non-current liabilities		**83**	**6,434**
Total liabilities		**7,486**	**14,467**
Net assets		**6,269**	**9,559**
EQUITY			
Contributed equity	5 (a)	391,940	389,699
Reserves		24,731	24,313
Accumulated losses		(410,402)	(404,453)
Total equity		**6,269**	**9,559**

The above consolidated balance sheet should be read in conjunction with the accompanying notes

Syntara Limited

Consolidated statement of changes in equity

For the half-year ended 31 December 2023

	Contributed equity	Reserves	Accumulated losses	Total
	$'000	**$'000**	**$'000**	**$'000**
Balance at 30 June 2022	**380,440**	**23,457**	**(393,093)**	**10,804**
Loss for the period	**-**	**-**	(4,876)	(4,876)
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive loss for the half year	**-**	**-**	**(4,876)**	**(4,876)**
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs	9,261	-	-	9,261
Employee share options	-	449	-	449
	9,261	**449**	**-**	**9,710**
Balance at 31 December 2022	**389,701**	**23,906**	**(397,969)**	**15,638**
Balance at 30 June 2023	**389,699**	**24,313**	**(404,453)**	**9,559**
Loss for the period	**-**	**-**	(5,949)	(5,949)
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income for the half year	**-**	**-**	**(5,949)**	**(5,949)**
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs	2,241	-	-	2,241
Employee share options	-	418	-	418
	2,241	**418**	**-**	**2,659**
Balance at 31 December 2023	**391,940**	**24,731**	**(410,402)**	**6,269**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Syntara Limited

Consolidated statement of cash flows

For the half-year ended 31 December 2023

	31-Dec 2023 $'000	31-Dec 2022 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	991	2,482
Payments to suppliers and employees (inclusive of goods and services tax)	(12,649)	(12,188)
	(11,658)	**(9,706)**
Australian government R&D tax credit	5,193	-
Sale of Orbital technology to Aptar	-	7,192
Grant received for clinical trial of SNT-4728	1,667	1,448
Interest received	(55)	41
Income taxes refunded	-	-
Net cash inflow / (outflow) from operating activities	**(4,853)**	**(1,025)**
Cash flows from investing activities		
Proceeds from sale of assets	194	-
Payments for plant and equipment	-	(93)
Payments for intangible assets	-	2
Net cash outflow from investing activities	**194**	**(91)**
Cash flows from financing activities		
Issuance of shares	2,385	9,261
Lease liability payments	(1,213)	(1,099)
Payments to financier	(20)	(18)
Short term loan in relation to R&D tax credit	4,400	-
Repayment of short term loan	(4,400)	-
Net cash inflow / (outflow) from financing activities	**1,152**	**8,144**
Net increase / (decrease) in cash and cash equivalents	**(3,507)**	**7,028**
Cash and cash equivalents at the beginning of the financial period	9,230	8,937
Effect of movement in exchange rates on cash held	(29)	485
Cash and cash equivalents at the end of the financial period	**5,694**	**16,450**

This above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Basis of preparation of half-year report

This financial report for the interim half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Syntara is a standalone corporation although it may be referenced as consolidated as its subsidiaries were transferred during the year as part of the sale of the mannitol business.

These half-year financial statements does not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Syntara Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act* 2001.

In accordance with AASB 5, the current and prior year earnings related figures have been adjusted to remove the impact of discontinued operations as outlined in note 4. Previously, the discontinued operation was one of the two segments reported. Due to the sale, segment information is no longer required and not disclosed in this financial report.

Going concern

During the half year ended 31 December 2023, the Group incurred an operating loss of $5.9 million (31 December 2022: $4.9 million) and net operating cash outflows of $4.9 million (341 December 2022: $1.0). As at 31 December 2023, the Group has cash and cash equivalents of $5.7 million (30 June 2023: $9.2 million). Subsequent to the end of the period the closed the second tranche of the private placement receiving a total of $7.6 million, before transaction related expenses.

The Group's ability to continue as a going concern, to recover the carrying value of its assets and meet its commitments as and when they fall due is dependent on the ability of the Group to continue to be eligible to receive revenue from the Parkinson's UK grant and the R&D tax credit, and to manage its cost base particularly its investment in its drug development pipeline with its cash currently available, realisation of its other current assets including amounts owed by the purchaser of the MBU, and with additional funding.

The additional funding will be made available from:

- securing new partnering arrangements for programs currently in its drug development pipeline;
- release of security over a $921,000 deposit subsequent to termination of the Frenchs Forest lease.
- R&D tax incentive income; and/or
- access to additional sources of equity share capital.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Board and management, having assessed the best available information at this time including detailed cash flow forecasting and initiatives currently being pursued, believe that:

- the Group will be successful in managing within currently available funds and/or obtaining additional funds as outlined above and, accordingly, have prepared the financial statements on a going concern basis, and
- no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 31 December 2023. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

New accounting standards and interpretations

There are no mandatory accounting standards and interpretations for the group to consider during the reporting period to 31 December 2023.

2. Revenue

	31-Dec 2023 $'000	31-Dec 2022 $'000
Interest	76	41
	76	**41**

3. Other income

	31-Dec 2023 $'000	31-Dec 2022 $'000
Grants	378	359
Other income	247	280
	625	**639**

4. Discontinued operations

(a) Description

On 2 October 2023 the Company announced the sale of its mannitol respiratory business unit (MBU) to Arna Pharma Pty Ltd, (Arna Pharma) an Australian company that is part of an alliance of companies with healthcare and pharmaceutical operations in Australia and major world markets. The transaction completed on 18 October 2023 with Arna Pharma taking over the day to day operations of the MBU from that date. The definitive sale agreement called for an eight month process in which time the production of Aridol and Bronchitol would be transferred to Arna Pharma's multi-product Sydney facility, with some elements of manufacturing being undertaken by specialist contract manufacturers. Job opportunities would thereby be created for some MBU employees. The Company's option to extend the lease on its Frenchs Forest facility beyond its 11 May 2024 termination date would be allowed to lapse.

The sale included the only two (non-operating) subsidiaries of Syntara.

Under the terms of the 2 October 2023 sale agreement the Company is reimbursed by Arna Pharma for the majority of the expenses the Company incurs through to the termination of the Frenchs Forest lease in May 2024. The $5.4 million receivable from Arna Pharma at 31 December 2023 includes a series of payments to be made over the course of the 2024 calendar year, a number of which vary based on the expenses incurred by Syntara. Other liabilities at 31 December 2023 of $1.9 million are expenses related to the discontinued operations.

Subsequent to completion on 18 October 2023 Arna Pharma negotiated a favourable lease with the owners of the Frenchs Forest facility and made employment offers to substantially all of the Company's MBU employees. Substantially all MBU employees ceased employment with Syntara on 31 January 2024. Syntara and Arna Pharma have recently amended their agreement to shorten the transition period and allow for the early termination of Syntara's lease of the Frenchs Forest facility. Effective 1 February 2024 Arna Pharma had full responsibility for all aspects of the MBU other than the lease on the facility. Early termination of Syntara's lease is expected to be completed in March 2024 at which time Syntara intends to simultaneously enter a sub-lease over its current drug discovery laboratories in the Frenchs Forest facility. The amended sale agreement reduced the payments to be made by Arna Pharma to the Company for savings consequentially achieved by the Company in relation to lease and employee costs.

b) Financial performance and cash flow information

	31-Dec 2023 $'000	31-Dec 2022 $'000
Revenue for sale of goods	546	1,281
Other revenue - sale of Orbital device	-	7,192
	546	**8,473**
Expenses	(3,857)	(4,903)
Profit before tax	(3,311)	3,570
Income tax expense	-	-
Gain on sale of business unit	5,141	-
Profit (loss) from discontinued operation	**1,830**	**3,570**

	31-Dec 2023 $'000
Cash flow from operating activities	(1,331)
Net cash outflow from investing activities	194
Net cash flow from financing activities	(20)

(c) Details of the sale of the MBU

	$'000
Consideration received or receivable	
Cash received at 31 December 2023	269
Future amounts receivable	5,371
	5,640
Carrying amount of net liabilities sold	661
Costs associated with the sale and transition	(1,160)
Gain on sale	5,141

The Company will receive ongoing royalties from Arna Pharma in relation to three product groups:

- Bronchitol and Aridol – low double digits on Arna Pharma's operating profit for seven years from 1 February 2024.
- Other products manufactured using the spray drier at Frenchs Forest – mid-double digit on operating profit dropping to low double digit after three years, commencing on first sale.
- Other products manufactured at either Frenchs Forest or Arna Pharma's other manufacturing facility – low to mid-single digit royalties on operating profit for eight years from first product sale.

Royalties payable to the Company are reduced to the extent the gross profit of the MBU over the first two years from Completion fail to meet agreed dollar minimum targets.

No value has been attributed to the future royalty payments due to uncertainty as to revenue, operating profitability and timing.

The carrying amounts of assets and liabilities sold were as follows:

	$'000
Inventory	3,479
Receivables	2,580
Property, plant & equipment	455
Total assets	6,514
Other liabilities	(7,175)
Net liabilities sold	(661)

5. Contributed equity

	31-Dec 2023 Shares	30-Jun 2023 Shares	31-Dec 2023 $'000	30-Jun 2023 $'000
(a) Share capital				
Ordinary shares				
Fully paid	831,006,340	719,584,305	391,940	389,699

Movements in ordinary share capital:

Details	Number of shares	Issue price	$'000
Opening balance as at 1 July 2023	719,584,305		389,699
Exercise of employee options	3,029,905	$ - (1)	-
Employee share plan	0	$ - (2)	-
Issuance of shares	108,392,130	$0.022	2,384,627
Transaction costs arising on share issue	-		(143)
Closing Balance at 31 December 2023	**831,006,340**		**2,774,183**

(1) These related to options issued under the Performance Rights Plan, which are issued with a zero grant price and zero exercise price.

(2) These shares are issued to eligible employees of the Group for a zero issue price.

(b) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

6. Contingent liabilities

The Group had contingent liabilities at 31 December 2023 in respect of:

Guarantees

The Group's bankers have issued bank guarantees secured by deposits at the bank for which no provision has been made in the accounts. The Group at 31 December 2023 had total deposits of $0.9 million (2022: $0.9 million) covering a rental bond and corporate credit card facility.

7. Events occurring after the end of the reporting period

On 6 February the Company closed the second tranche of the private placement issuing 346 million shares for a total of $7.6 million, before transaction related expenses.

On 2 February the Company announced the closure of its share purchase plan which raised $0.3 million before transaction related expenses.

On 14 February 2024 the Company announced that its lead asset SNT-5505 would commence a phase 2 trial evaluating combination treatment of SNT-5505 with chemotherapy in patients with low and intermediate risk myelodysplastic syndrome

(MDS) to commence later this year, subsequent to the Australian Medical Research Future Fund awarding a $0.83m grant to the University of Newcastle and its partners Syntara and the Australasian Leukaemia and Lymphoma Group.

On 29 February the Company executed an amended business sale agreement with Arna Pharma which allowed for an early lease termination, the effect of which was to bring forward the end of the transition period. Effective 1 February 2024 Arna Pharma had full responsibility for all aspects of the MBU other than the lease on the facility. Early termination of Syntara's lease is expected to be completed in March 2024 at which time Syntara intends to simultaneously enter a sub-lease over its drug discovery laboratories in the Frenchs Forest facility.

Except for the above there have been no circumstances that have arisen since 31 December 2023 that has significantly affected, or may significantly affect:

(a) The group's operations in the future financial years, or

(b) The results of those operations in future financial years; or

(c) The group's state of affairs in future financial years.

8. Earnings per share

	31-Dec 2023 Cents	31-Dec 2022 Cents
(a) Basic earnings per share		
Profit / (loss) attributable to the ordinary owners of the Company	(0.01)	(0.01)
(b) Diluted earnings per share		
Profit / (loss) attributable to the ordinary owners of the company	(0.01)	(0.01)
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings / (loss) per share	726,798,817	423,382,939
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings / (loss) per share	767,330,619	428,389,094

(d) Information concerning the classification of securities

Options

Options granted to employees under the Syntara Limited Employee Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

Syntara Limited
Directors' declaration
31 December 2023

In the directors' opinion:

(a) the financial statements and notes set out on pages 11 to 20 are in accordance with the *Corporations Act 2001,* including:

(i) complying with Accounting Standard AASB 134 "Interim Financial Reporting", the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that Syntara Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Gary J Phillips
Director
Sydney
29 February 2024

Independent auditor's review report to the members of Syntara Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Syntara Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and consolidated income statement for the half-year ended on that date, material accounting policy information and selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Syntara Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty relating to going concern

We draw attention to Note 1 in the half-year report, which indicates that the Company generated an operating loss of $5.9 million and net operating cash outflows of $4.9 million during the half-year ended 31 December 2023. The Group's ability to continue as a going concern, is dependent on the Group continuing to receive revenue from the Parkinson's UK grant and R&D tax credits, managing its cost base, realisation of its other current assets and securing additional sources of funding. These conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

David Ronald
Partner

Sydney
29 February 2024