Syntara Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Syntara Limited
ABN:	75 082 811 630
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

				$'000
Revenues from ordinary activities and other income	down	66.9%	to	6,399
Loss from ordinary activities after tax attributable to the owners of Syntara Limited	up	33.3%	to	(15,142)
Loss for the year attributable to the owners of Syntara Limited	up	33.3%	to	(15,142)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Company after providing for income tax amounted to $15,142,000 (30 June 2023: $11,360,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.38	1.23

4. Control gained over entities

Not applicable.

5. Loss of control over entities

As part of the Mannitol Business Unit sale on 18 October 2023, the Company sold both of its non-operating subsidiaries, Pharmaxis Pharmaceuticals Limited and Pharmaxis Europe Limited.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Syntara Limited for the year ended 30 June 2024 are attached.

12. Signed

Signed _____ Date: 30 August 2024

Gary J Phillips
Director

SYNTARA

Annual Report
30 June 2024

Syntara Limited
ABN 75 082 811 630

Syntara Limited
Contents
30 June 2024

Syntara Limited
Corporate directory
30 June 2024

Directors	Kathleen Metters (Chair) Gary Phillips Simon Green Hashan De Silva Malcolm McComas (retired 3 October 2023) Neil Graham (retired 3 October 2023)
Company secretary	David McGarvey
Registered office	20 Rodborough Rd, Frenchs Forest NSW 2086
Principal place of business	20 Rodborough Rd, Frenchs Forest NSW 2086
Share register	Boardroom Pty Limited Level 8, 210 George Street Sydney NSW 2000 Telephone: 1300 737 760 (in Australia) +61 2 9290 9600 (International) enquiries@boardroomlimited.com.au www.boardroomlimited.com.au
Auditor	PricewaterhouseCoopers
Stock exchange listing	Syntara Limited shares are listed on the Australian Securities Exchange (ASX code: SNT)
Website	https://syntaratx.com.au/

Syntara Limited
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Company') consisting of Syntara Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Information on directors

Kathleen Metters (Chair)

Dr Metters was appointed to the Board of Directors in June 2017 and Chair of the Board from 3 October 2023. Dr Metters has over 25 years of experience in the discovery and development of novel therapies for treatment of serious diseases. She is currently working as an independent biopharma consultant, and is a member of several boards including as a Non-Executive Director for Aslan Pharmaceuticals Ltd and an independent board member for HemoShear Therapeutics. From 2011-2014 Dr Metters was President and Chief Executive officer for Lycera Corp., a biopharmaceutical company pioneering innovative approaches to novel oral medicines for treatment of autoimmune diseases and cancer.

From 1988 to 2011 Dr Metters was employed by Merck & Co. In 2009 she was appointed to head External Discovery and Preclinical Sciences, created to expand Merck's scientific network to the greater research community in academia, biotechnology, and government, building partnerships in life sciences, medicine, engineering, and information technology. From 2005 to 2009 Dr Metters was head of Worldwide Basic Research for Merck & Co. with oversight of research activities at major sites around the globe; across all therapeutic modalities and therapeutic areas. From 2002 to 2005 Dr Metters was head of research at Merck Frosst, Canada. During this time, she was the Basic Research Therapeutic Area Head for the Respiratory Franchise and from 2003-2005 was chair of the Respiratory Worldwide Business Strategy Team, reporting directing to the CEO, with responsibility for the discovery, development and commercialization strategy for respiratory products. Prior to that Dr Metters worked in research focused on the arachidonic acid cascade which resulted in the development of SINGULAIR® , a once-daily oral therapy for asthma and allergic rhinitis. For her work on SINGULAIR® , she was one of the team of scientists who won the Prix Galien Canada 2000 for excellence in innovative research.

Dr Metters graduated with a B.S. in biochemistry from the University of Manchester Institute for Science and Technology, and a Ph.D. from Imperial College of Science and Technology in London. She completed post-doctoral training at the Centre National de la Recherche Scientifique in France and at the Clinical Research Institute of Montreal. Dr Metters is a member of the Remuneration and Nomination Committee and the Audit Committee.

Gary Phillips

Mr Phillips was appointed Chief Executive Officer and became a member of the Board of Directors in March 2013. Prior to this he was the Chief Operating Officer since June 2008, having previously served as Commercial Director from his joining of the Company in December 2003. Mr Phillips has more than 30 years of operational management experience in the pharmaceutical and healthcare industry in Europe, Asia and Australia. From 1994 to 1998, he was Chief Executive Officer at Ciba Geigy in Hungary (Merged to form Novartis in 1996) where he led the successful launch of a portfolio of new products. After a period of 3 years as an Area Manager for Novartis responsible for 9 countries in Asia Pacific in 2001 he joined Novartis Australia as Group Company Head and Chief Executive Officer of its Pharmaceutical Division, successfully launching leading oncology and ophthalmology products. Mr Phillips holds a B. Pharm. in Pharmacy with honors from Nottingham University in the UK, an MBA from Henley Management College and is a Graduate of the Australian Institute of Company Directors. Mr Phillips is a non-executive director of Arovella Therapeutics Ltd, an Australian listed biotech company.

Simon Green

Dr Simon P. Green was appointed to the Board of Directors in December 2022. He was appointed Chair of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee in May 2023. Dr Green is an experienced senior global pharma executive with 30 years of experience in the biotechnology industry focused on the discovery, development and commercialisation of life saving medicines. Simon was actively involved in CSL's global expansion over a 17-year period and held roles as Senior Vice President, Global Plasma R&D and General Manager of CSL's manufacturing plants in Germany and Australia. Prior to joining CSL he worked in the USA at leading biotechnology companies Genentech Inc and Chiron Corporation.

His skills cover R&D drug development, corporate due diligence, mergers and acquisitions, strategic planning, portfolio management, financial management, intellectual property management, business development, contract management and organisational design. Simon was educated at Monash University (Bachelor's Degree in Science with Honours) and the University of Melbourne (Doctor of Philosophy, Biochemistry and Immunology). He is also a graduate of the Australian Institute of Company Directors'. Simon was a non-executive director of Acrux Pty Ltd (2016 -2019) and is currently a non-executive director of Clover Corporation Ltd and co-founder and CEO of Immunosis Pty Ltd, a start-up diagnostics company. He is the Chair of the Remuneration and Nomination Committee and a member of the Audit Committee.

Hashan De Silva

Mr De Silva was appointed to the Board of Directors in January 2023. He was appointed to the Remuneration and Nomination Committee in May 2023. Mr De Silva is an experienced life sciences investment professional with extensive knowledge of the biotech, pharmaceutical and medical technology sectors. Mr De Silva is currently the Founder and Managing Partner of KP Rx, an ANZ focused healthcare VC firm. KP Rx is seeded and supported by Karst Peak Capital where Mr De Silva was the Head of Healthcare Research until December 2022. His previous roles include associate healthcare analyst at Macquarie Group covering ASX-listed healthcare companies and lead healthcare analyst at CLSA Australia. Prior to moving into life science investment he worked at Eli Lilly in various roles focused on the commercialisation of new and existing pharmaceuticals.

Mr De Silva was educated at the University of New South Wales (Bachelor's Degree in Medicine and Master's Degree in Finance) and is a Chartered Financial Analyst. Mr De Silva is a non-executive director of Melbourne and Philadelphia based CurveBeam AI. He is a member of the Remuneration and Nomination Committee and Chair of the Audit Committee.

Malcolm McComas (retired 3 October 2023)

Malcolm J. McComas was a member of the Board from July 2003 and was appointed Chair of the Board in May 2012 which he remained until he retired from the Board 3 October 2023. Mr McComas was a member of the Audit and Risk Committee until he retired from the Board and was a member of the Remuneration and Nomination Committee until May 2023. Malcolm McComas is a former investment banker serving in leadership roles with global organizations and was previously a commercial lawyer. He was previously a director of Grant Samuel, the investment banking and funds management group from 1999 to 2009. Mr McComas previously served for 10 years as Managing Director of Investment Banking at County NatWest and its successor organization Citigroup, and in various executive roles with Morgan Grenfell (now Deutsche Bank) in Melbourne, Sydney and London.

Mr McComas has worked with many high growth companies across various industry sectors and has experience in debt and equity finance, mergers and acquisitions and privatisations. He has led more than 50 initial public offerings and significant secondary offerings for companies, institutions and governments. Mr McComas is a director of the blood cancer co-operative clinical trials group Australasian Leukaemia and Lymphoma Group (ALLG), Actinogen Medical Limited (ACW) and Core Lithium Limited (CXO) and is Chair of Fitzroy River Corporation Limited (FZR).

Neil Graham (retired 3 October 2023)

Dr Neil Graham was appointed to the Board of Directors in May 2020 and retired from the Board on 3 October 2023. Dr Graham is an infectious diseases epidemiologist with extensive experience working in biotech and pharmaceutical companies in the development of medicines. Dr Graham's career has included senior roles overseeing pipeline development and clinical programs. He is currently consulting/acting CMO at Zura Bio Pty Ltd and a Non-Executive Director at Asian Pharmaceuticals Ltd. Previously Dr Graham was VP, Strategic Program Direction, Immunology & Inflammation at Regeneron Inc. From 2007 to 2009 he was Senior Vice President, Program and Portfolio Management at Vertex Inc, from 2005 to 2007 Sr. Vice President, Program and Portfolio Management at Trimeris Inc. and from 2002 to 2005 CMO/Vice-President, Clinical Development at XTL Biopharmaceuticals.

Dr Graham has considerable depth of scientific expertise in immunology and inflammation and is the author of a number of books and publications including a considerable body of work on respiratory illness. He was educated at University of Adelaide (MBBS, MD, MPH). Between 1993 and 1997 he was Associate Professor of Epidemiology at John Hopkins University School of Hygiene and Public Health with research focused on HIV, tuberculosis and hepatitis. Dr Graham was a member of the Audit and Risk Committee and Chair of the Remuneration and Nomination Committee until May 2023.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Kathleen Metters	16	18	4	4	2	2
Gary Phillips	18	18	-	-	-	-
Simon Green	18	18	4	4	2	2
Hashan De Silva	18	18	3	4	1	1
Malcolm McComas	9	9	-	-	1	1
Neil Graham	8	9	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Indemnity and insurance of officers

The Constitution provides that, except to the extent prohibited by the Corporations Act 2001, each of our officers shall be indemnified out of Company funds against any liability incurred by such person in his or her capacity as an officer.

The Company has entered into Deeds of Access to Documents and Indemnity to indemnify Directors and certain executive officers in addition to the indemnification provided for in the Constitution. These provisions and agreements are necessary to attract and retain qualified directors and executive officers.

At present, there is no pending litigation or proceeding involving any Directors, officers, employees or agents where indemnification by the Company will be required or permitted, and the Company is not aware of any threatened litigation or proceeding that may result in a claim for such indemnification.

Directors' and officers' liability insurance is provided for the indemnification of Directors and officers against certain liabilities incurred as a director or officer, including costs and expenses associated in successfully defending legal proceedings. This insurance will be maintained in the future. During the financial year, a premium was paid to insure the directors and officers of the Group for the policy. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. Policy exclusions include: liabilities that arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group; pollution that could reasonably be known to management; and, bodily injury and property damage. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Company secretary

The Company Secretary is Mr David M McGarvey, CA ANZ, GAICD, FGIA, who was appointed to the position of Company Secretary in 2002. Before joining Syntara Limited (formerly Pharmaxis Ltd) he held similar positions with both listed and unlisted companies, including Memtec Limited, which was listed on the Australian Securities Exchange, NASDAQ and the New York Stock Exchange.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

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 progressed a staged transition of the MBU across to Arna Pharma. Effective 1 February 2024 Arna Pharma had full responsibility for all aspects of the MBU other than the lease on the facility, which terminated in June 2024 when Arna Pharma took up a new lease on the Frenchs Forest facility. Syntara has subsequently entered a sub-lease over its drug discovery laboratories from Arna Pharma.

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 $14,000K 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 MBU sale agreement included a number of the following payments from Arna Pharma to Syntara:
- Fixed payments
- Payments for inventory
- Reimbursement of various operating and other costs over and beyond the transition period

In addition Syntara will receive royalties on the net profits from the sale of: (i) Bronchitol and Aridol (for a seven year period commencing on the second anniversary of completion of the MBU); (ii) products manufactured using the spray drier sold as part of the sale other than Bronchitol or Aridol (for a 10 year period from first commercial delivery of such product); and (iii) other products manufactured in the Rodborough Rd facility (for an 8 year period commencing on the date of first sale of such products).

After amounts already paid by Arna Pharma (~$2,500K), the amounts claimed by Syntara at 30 June 2024 are:
- Fixed payments: ~$3,300K
- Inventory: ~$0,400K
- Reimbursement of transition & other SNT costs: ~$1,400K
- Total: ~$5,100K

In late June Arna Pharma challenged amounts claimed by Syntara primarily related to the fixed payments. Other contractual payment obligations were also disputed. Negotiations with Arna Pharma continue while Syntara is confident in its position, Arna Pharma's approach creates some uncertainty as to the timing and recoverability of certain amounts owing. Syntara has therefore appointed external counsel to actively pursue available legal remedies, if required, but for financial reporting purposes has recognised a provision for doubtful debts in respect of certain amounts owed by Arna Pharma due to the inherent uncertainty associated with their recoverability.

The financial statements are prepared on the basis that the sale of the MBU was completed in the financial year ended 30 June 2024. The assets and liabilities being sold that still remain 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 $5,200K and the Company subsequently repaid a $4,400K 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 $10,300K before costs of the offers.

Due to the uncertainty created by the actions of Arna Pharma, on 30 July the Company announced a two tranche placement of $5,000K from institutional and sophisticated investors. The second tranche includes a A$1,500K investment by KP Rx, a fund managed by a director of the Company and is therefore subject to shareholder approval at a General Meeting expected to be convened for September 2024.

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 trial during the year. During the 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 eleven 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
- Five out of thirteen patients had an improvement in symptom score of >20%
- Nine out of thirteen patients had stable/improved haemoglobin (Hb) counts
- Ten out of thirteen 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. The Company announced full recruitment of 15 patients in July 2024 from 19 clinical trial sites in Australia, South Korea, Taiwan and the USA. This open label study is expected to report interim data in the fourth quarter of calendar 2024 and final data from twelve months treatment in the second half 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 low and intermediate risk MDS patients 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 $1,000K 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 Heidelberg University 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.

In August 2024 the Company announced that the University Medical Center Mannheim (UMM) at Heidelberg University in Germany will lead a Phase 1b/2 clinical trial investigating the efficacy of Syntara's lead asset, SNT-5505, in high-risk MDS patients. The AZALOX study in patients with high-risk MDS and CMML will commence in Q1 2025, complementing the previously announced Australian Phase 1c/2 study in low/intermediate risk MDS patients, set to begin in Q4 2024. Seven specialist centres in Germany have already agreed to participate in the study, which has been prioritised by the German MDS Study Group. The AZALOX study will begin with a dose-escalation phase where two doses of SNT-5505 will be administered to a maximum of 12 patients over six months, in combination with the hypomethylating drug 5-azacytidine (5-AZA). This will be followed by an expansion phase, where 30 patients will receive the selected dose of SNT-5505 and 5-AZA for six months.

The Phase 2 trials in myelofibrosis and MDS present a combined market opportunity for Syntara and its lead SNT-5505 asset of approximately US$6 billion.

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.

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 second half of the 2024 calendar year when the regulatory approval steps are complete. The trial will continue throughout 2024 with results expected in the second half of 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.

Financial Highlights

Other revenue

The Company received other revenue from continuing operations of $89K for the year ended 30 June 2024 compared to $117K for the year ended 30 June 2023. Other revenue from discontinued operations for the period ended 30 June 2023 is reported in the discontinued operation in the Profit and Loss and included the exercise by Aptar Pharma to exercise an option to acquire the worldwide rights to the Company's proprietary inhaler Orbital, a unique device designed to deliver high payload dry powder to the lungs. Aptar Pharma paid US$5,000K to exercise its option and then immediately acquire the Orbital technology (total of A$7,192K). Other revenue for both periods also includes interest income earned on cash balances and the lower amount is primarily attributable to lower average cash balance held during the current period.

Other income

The Company received other income of $5,764K for the year ended 30 June 2024 compared to $6,232K for the year ended 30 June 2023, and for both years includes an R&D tax incentive credit ($4,558K in 2024, $5,246K in 2023) and 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 ($781K in 2024, $532K in 2023) and sublease of excess office and warehouse space ($406K in 2024, $454K in 2023).

Employee costs

Employee related expenses were $7,317K in the year ended 30 June 2024, an increase of $835K on the year ended 30 June 2023. Employee costs include share based payments (non-cash) totalling $614K in the 2024 financial year, compared to $821K in the corresponding 2023 financial year. At 30 June 2024 the Company employed 21 full time equivalents excluding employees engaged in the discontinued MBU (30 June 2023: 69).

Administration & corporate

Administration and corporate expenses include accounting & IT, legal & compliance, public company costs, patent portfolio and insurance costs. Administration expenses were $2,464K in 2024 compared to $2,195K in 2023. A number of costs increased, including professional fees associated with the restructure of the business.

Clinical trials

Clinical trials expenses were $7,175K in 2024 compared to $5,677K in 2023. 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 2024 and 2023 clinical trial expenses predominantly related to the oral pan-LOX inhibitor program in MF 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 $1,124K for 2024 compared to $3,036K in 2023. 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 2024 and 2023 included the oral and topical pan-LOX inhibitor programs.

Foreign exchange gains & losses

Foreign exchange gains were $357K in 2024 compared to gains of $610K in 2023. 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 $232K in 2024, compared to $1,848K in 2023. The assets of the continuing business are mostly fully depreciated/amortised.

Income tax expense

The Company did not earn any taxable income.

Discontinued operations

As further detailed in the financial statements the current year and prior 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

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 provided for the majority of the amount owed to it by Arna Pharma as a doubtful debt. Furthermore, 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.

Going concern

During the year the Group incurred an operating loss of $15,142K (30 June 2023: $11,360K) and net operating cash outflows of $14,483K (30 June 2023: $7,277K). As at 30 June 2024, the Group has cash and cash equivalents of $3,520K (30 June 2023: $9,230K). Subsequent to the end of the year the Company announced a private placement raising $5,000K, before transaction related expenses. The placement is split across two tranches (tranche one: $2,700K and tranche two: $2,300K), with tranche one received on 5 August 2024 and tranche two subject to shareholder approval at the Extraordinary General Meeting to be held 20 September 2024.

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 $921K deposit subsequent to termination of the Frenchs Forest lease.
- $4,558K expected from the R&D tax incentive for the 2024 financial year and other future 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 Company will be successful in managing within 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 Annual Report at 30 June 2024. Accordingly, no adjustments have been made to the Annual Report relating to the recoverability and classification of the asset carrying amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Material Business Risks

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

(a) Funding requirements

A key risk is the Company's ability to continue as a going concern. Refer also to the Going concern note set out above. During and subsequent to the end of the financial year the Company has improved its financial position primarily by raising capital through two placements ($10,000K and $5,000K on respectively) 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, the recoverability of current receivables 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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

Matters subsequent to the end of the financial year

On 30 July 2024, the Company announced a two-tranche placement that would raise a total of $5,000K by issuing fully paid ordinary shares at $0.028 per share. Tranche one was $2,700K and tranche two which is subject to shareholder approval on 20 September 2024 is $2,300K.

On 31 July 2024, the Company announced it had completed full recruitment in its Phase 2 trial evaluating SNT-5055, in combination with ruxolitinib, treating the bone marrow cancer myelofibrosis.

On 5 August 2024, 96,428,571 ordinary shares were issued (Tranche 1 of the Placement announced 30 July 2024) raising $2,700K before costs. Tranche 2 of the Placement is expected to be issued following a general meeting to be held in September 2024.

On 8 August 2024 the Company announced that researchers at Heidelberg University would take its lead asset SNT-5505 into a phase 2 clinical trial for the blood cancers myelodysplastic syndrome (MDS) and chronic myelomonocytic leukemia (CMML), after they were awarded A$2.5m funding from Deutsche Krebshilfe.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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 immediately after this directors' report.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Equity Remuneration
- Additional Information on Compensation Paid to Directors and Senior Executive Officers

Principles used to determine the nature and amount of remuneration

Introduction:

Syntara requires a board and senior management team with technical capability and importantly, relevant international pharmaceutical company experience. Competitive remuneration practices are required to attract, retain and incentivise such executives and directors. To assist its deliberations, the Directors make use of surveys of Australian companies in the life science area and advice of recruiters and consultants who provide their analysis and understanding of the broader Australian healthcare and general listed company markets.

In order to obtain the experience required, it has historically been necessary to recruit both directors and management from the international marketplace.

Senior Executive Officer remuneration includes a mix of short and long-term components. Remuneration of the Executive Director and Senior Executive Officers includes a meaningful proportion that varies with Group and individual performance. Variable cash incentives are subject to performance assessment by the Remuneration and Nomination Committee. Performance targets in the main relate to objectives and milestones from the Group's annual business plan. The business plan is designed to build a business that generates long term shareholder value through share price appreciation and distributions to shareholders. Group performance targets are agreed by the Remuneration and Nomination Committee and the full Board each year. The annual performance of Senior Executive Officers is reviewed by the Remuneration and Nomination Committee and the Board each year.

In the event that misconduct by the Chief Executive Officer and/or Chief Financial Officer results in the financial statements for any year not complying with financial reporting requirements, all bonuses and incentive payments made to the Chief Executive Officer and Chief Financial Officer in relation to the relevant years are repayable in full.

Non-Executive Directors do not have a variable component of their remuneration.

Equity Remuneration:

Equity remuneration is an important component of attracting and retaining talented individuals while staying within the fiscal constraints of a developing company.

Equity Remuneration Granted to Non-Executive Directors

Non-executive directors do not currently receive equity remuneration.

Equity Remuneration Granted to Senior Executive Officers

The Company has two equity remuneration plans to provide for the long term reward, incentive and retention of all employees in the Group:

- The Group's Performance Rights Plan enables the grant of employee options with a zero grant price and a zero exercise price, known commonly as "Performance Rights" to eligible employees of the Group. Senior Executive Officers and other eligible employees are invited by the Remuneration and Nomination Committee to participate in this plan
- The Group's Share Plan grants up to $1,000 of fully paid Syntara ordinary shares to eligible employees of the Group. Senior Executive Officers do not participate in this plan. No grants under the Share Plan was made in the current financial year.

Performance rights plans and share plans are both widely accepted in the Australian context to provide equity remuneration to management and employees of listed companies. Performance rights plans typically provide lower potential returns when compared to traditional options, but by also reducing the risk for employees they provide a stable equity remuneration instrument to reward and retain employees over the longer term.

Key features of the Syntara Performance Rights Plan are as follows:

- Grant price and exercise price of zero, with a life of 10 years from grant date.
- Historically the number of performance rights to be granted is determined by the Board, taking into account the employee's position, responsibility and salary (50% of base salary for the Chief Executive Officer, 30% for Senior Executive Officers and 15% for other participants), and the Syntara share price, defined as the thirty-day volume weighted average price leading up to the grant date. For the grant made in the 2023 financial year the Board resolved to set aside the calculation and grant the same quantum as in the 2022 financial year, on the basis that the reduced Company share price would significantly increased the quantum granted using the historical calculation. Prior to the 2019 year, the Board also considered corporate performance in meeting annual business plan objectives and the employee's performance in meeting annual objectives in determining the number of performance rights to be granted. From the 2019 to 2022 years the vesting of granted performance rights was subject to corporate performance, as described below.
- Performance rights granted in the 2024 and 2023 financial years vest 50% two years from grant and 50% three years from grant provided the Senior Executive Officer remained an employee of the Group at the relevant vesting date. Unvested performance rights lapse in the event the Senior Executive Officer ceases to be an employee before the relevant vesting date. For performance rights granted from 30 June 2018 to 30 June 2022, corporate performance was assessed after the end of the financial year following the grant date based on long term focused annual corporate objectives achieved in the financial year. Performance rights were lapsed at that point to the extent the long term focused subset of corporate objectives had not been met. Prior to the grant of performance rights in the 2023 year the Board identified that the majority of the Group's short term corporate objectives also had significant long term performance consequences and are therefore assessed and rewarded by way of the Group's short term incentive program. The Board therefore removed performance vesting for the 2023 and subsequent grants of performance rights.
- Shares issued upon exercise of performance rights are restricted from sale by the employee for three years from grant date. Shares issued upon exercise of performance rights to Senior Executive Officers are restricted from sale by the officer as long as they are employed by the Group, without prior approval of the Board. The guidelines under which the Board will determine whether to give its approval include the progress of the Group in achieving its stated goals over the period since grant, the impact of a sale on the market in the Group's shares, the Syntara share price, and whether it is an appropriate time for such a sale, amongst other criteria.

Non-Executive Directors:

Fees and payments to Non-Executive Directors reflect the demands that are made on, and the responsibilities of, the Non-Executive Directors. Non-Executive Directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee of the Board. The fees are as follows:

- an annual fee of $100,000 for the Chair with no additional payments for serving on Board committees, and including any applicable statutory superannuation; and
- an annual fee of $70,000 is paid to Non-Executive Directors other than the Chair, with no additional payments for serving on Board committees, and including any applicable statutory superannuation.

In addition, shareholders have approved the use of equity as part of non-executive remuneration for each director as follows:

- each non-executive director is given the flexibility, at the advanced election of the relevant non-executive director, to receive their base remuneration wholly in cash, in a combination of cash and equity or wholly in equity. The equity being in the form of zero grant price and zero exercise price options (ZEPOs). No non-executive directors elected to receive ZEPOs in the year. ZEPOs are subject to punitive US tax rates for directors resident in the US.
- the grant to each non-executive director three million options over ordinary shares in the capital of the Company (NED Options). The NED Options have a term of 5 years, vest in equal quarterly instalments over 3 years, subject to the non-executive director continuing to be an eligible person for the purposes of the Option Plan at the relevant time. The NED Options were granted for zero grant price and have an exercise price per NED Option that is at least a 67% premium to the 5 trading day VWAP prior to the date the relevant non-executive director accepts the offer of such NED Option.

Non-Executive Directors' fees (including statutory superannuation) are determined within an aggregate directors' fee pool limit, any changes to which require approval by shareholders. The fee pool limit approved by shareholders in October 2006 stands at a maximum of $600,000 per annum in total.

Retirement Allowances for Directors

Termination payments apply only to Executive Directors, as discussed below.

Executive Directors and Senior Executive Officers:

There are four components to the remuneration of Executive Directors and Senior Executive Officers:

- a base salary paid in cash or packaged at the executive's discretion within Australia Fringe Benefit's Tax guidelines as a total cost package. Base salaries are reviewed by the Remuneration and Nomination Committee effective 1 January each year;
- superannuation of 11% of base salary (11.5% from 1 July 2024);
- a variable cash incentive component payable annually dependent upon achievement of performance targets set and approved by the Remuneration and Nomination Committee and Board. Individual and overall performance targets are set by reference to the components of the Group's annual business plan. The Directors believe the Group's approach to variable cash incentive is consistent with the Group's industry sector; and
- equity remuneration as discussed above.

Base pay for Senior Executive Officers is reviewed annually to ensure the executive's pay is commensurate with the responsibilities and contribution of the executive. An executive's pay is also reviewed on promotion. There was a 2.0% increase in base salaries at 1 January 2024 (with the exception of Kristen Morgan 5.0%), compared to 2.0% at 1 January 2023.

In establishing the 2024 target variable cash incentives, the Board determined the following percentage of base salary as the appropriate quantum:

	Percentage of base salary Corporate objectives	Percentage of base salary Personal objectives
Chief Executive Officer	30%	0%
Other Senior Executives	10%	10%

Corporate objectives are based on the Group's 2024 business plan. Corporate and individual personal objectives are each separately weighted when objectives are set at the beginning of the financial year and at the end of the financial year performance is assessed on each objective individually.

Corporate objectives for 2024 included:

(1) PXS-5505: Full recruitment of the combination stage of the Group's phase 2a clinical trial of PXS-5505 in myelofibrosis; development of a clinical and regulatory strategy for further clinical development of PXS-5505.
(2) PXS-5505: Preparation for phase 1c/2a study of PXS-5505 in low/intermediate risk MDS patients
(3) Scarring clinical development: Specific progress in a proof of concept clinical trial of oral SNT-5505 in acute burns scars; and development of clinical development plans for the Company’s topical LOX program
(4) PXS-4728: Recruitment target of clinical trial in isolated Rapid Eye Movement Sleep Behaviour Disorder (iRBD).
(5) Exit the MBU and launch of Syntara, including specific cost reduction targets, revised investor relation strategies
(6) Ongoing funding requirements of the Group
(7) Specific drug discovery milestones in support of the existing clinical program and potential new drugs.

In assessing overall corporate performance for 2024 the Remuneration and Nomination Committee and the Board assessed substantial achievement in relation to the more significant objectives 1, 2, 5 and 7 and partial achievement in relation to objective 3, 4 and 6.

The Board assessed overall performance in achieving the 2024 corporate objectives at 82%.

Termination payments

Termination payments do not apply to Non-Executive Directors. The employment contract for the Chief Executive Officer can be terminated immediately by the Board for serious misconduct and with six months' notice without cause by either party. Employment contracts for Other Senior Executive Officers can be terminated immediately by the Board for serious misconduct and with a maximum of three months' notice without cause by either party. Unless otherwise required by law, no additional payments are required to be paid on termination.

Equity Remuneration

Information on the Equity Remuneration is set out in note 23 to the Annual Financial Report which is included in Section 6 of this Statutory Annual Report. As noted above, for performance rights granted between 1 July 2018 and 30 June 2022, vesting is subject to an assessment of corporate performance for the financial year following the grant date based on long term focused annual corporate objectives achieved in the financial year.

Details of remuneration

Details of the remuneration of the Directors and the Senior Executive Officers ("key management personnel" as defined in AASB 124 Related Party Disclosures) of Syntara Limited and the Group are set out in the following tables.

The Chief Executive Officer and Senior Executive Officers of the Group and the entity are:

Name	Position
Gary Jonathan Phillips	Chief Executive Officer
Jana Baskar	Chief Medical Officer
Wolfgang Jarolimek	Head of Drug Discovery
David Morris McGarvey	Chief Financial Officer and Company Secretary
Kristen Morgan	Alliance Management-Head of Medical and Regulatory Affairs

Included in the above are the four highest remunerated Group and entity executives.

Amounts of remuneration

Details of the remuneration of key management personnel of the Company are set out in the following tables.

Changes since the end of the reporting period:

The payment of cash bonuses to Senior Executive Officers is dependent on the satisfaction of performance conditions as discussed in Section 2.1 of this Statutory Annual Report. Performance Rights are granted and vested as approved by the Remuneration & Nomination Committee. Other elements of remuneration are not directly related to performance.

2024	Short-term benefits			Post-employment benefits	Other benefits	Share-based payments	
	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Leave Entitlements $	Equity-settled $	Total $
Non-Executive Directors:							
Kathleen Metters	92,500	-	-	-	-	20,300	112,800
Simon Green	63,063	-	-	6,937	-	3,627	73,627
Hashan De Silva	63,063	-	-	6,937	-	3,627	73,627
Malcolm McComas[1]	27,500	-	-	-	-	(1,692)	25,808
Neil Graham[1]	17,500	-	-	-	-	(1,692)	15,808
Executive Directors:							
Gary Phillips	471,066	117,030	-	64,691	12,198	165,689	830,674
Other Key Management Personnel:							
J Baskar	309,060	51,188	-	39,627	17,086	38,793	455,754
WG Jarolimek	374,458	65,044	-	48,345	(18,501)	63,685	533,031
DM McGarvey	389,746	71,636	-	50,752	24,606	66,292	603,032
K Morgan	249,279	41,879	-	32,027	(4,358)	41,771	360,598
	2,057,235	346,777	-	249,316	31,031	400,400	3,084,759

[1] retired 3 October 2023

2023	Short-term benefits			Post-employment benefits	Leave-	Share-based payments	
	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Malcolm McComas	100,000	-	-	-	-	15,225	115,225
WL Delaat	6,254	-	-	657	-	-	6,911
Kathleen Metters	70,000	-	-	-	-	15,225	85,225
Neil Graham	70,000	-	-	-	-	15,225	85,225
Simon Green	34,354	-	-	3,607	-	-	37,961
Hashan De Silva	29,319	-	-	3,078	-	-	32,397
Executive Directors:							
GJ Phillips	461,930	103,541	-	48,503	4,836	134,789	753,599
Other Key Management Personnel:							
J Baskar	307,715	44,064	-	32,310	22,115	23,183	429,387
WG Jarolimek	367,215	54,130	-	38,558	10,991	70,241	541,135
DM McGarvey	382,104	60,970	-	40,121	(758)	73,132	555,569
K Morgan	228,993	36,480	-	24,044	(11,853)	46,083	323,747
	2,057,884	299,185	-	190,878	25,331	393,103	2,966,381

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2024	Fixed remuneration 2023	At risk - STI 2024	At risk - STI 2023	At risk - LTI [1] 2024	At risk - LTI [1] 2023
Non-Executive Directors:						
Kathleen Metters	100%	100%	-	-	-	-
Simon Green	100%	100%	-	-	-	-
Hashan De Silva	100%	100%	-	-	-	-
Malcolm McComas	100%	100%	-	-	-	-
Neil Graham	100%	100%	-	-	-	-
Executive Directors:						
Gary Phillips	66%	68%	14%	14%	20%	18%
Other Key Management Personnel:						
J Baskar	80%	84%	11%	10%	9%	6%
WG Jarolimek	76%	77%	12%	10%	12%	13%
DM McGarvey	77%	76%	12%	11%	11%	13%
K Morgan	76%	74%	12%	12%	12%	14%

[1] Since the long-term incentives are provided exclusively by way of options, the percentages disclosed also reflect the value of remuneration consisting of options, based on the value of options expensed during the year. Where applicable, the expenses include negative amounts for expenses reversed during the year due to a failure to satisfy the vesting conditions

Service agreements

In addition to their respective base salaries, each of the following Senior Executive Officers may be awarded an annual performance bonus upon satisfaction of certain milestones upon the sole discretion of the Remuneration and Nomination Committee. Other material terms of each of these agreements are identified below.

Senior Executive Officer [3]	Annual Base Salary Effective 1 July 2025 [1] $	Superannuation Contributions [2] $
Gary J Phillips, *Chief Executive Officer and Managing Director*	475,730	54,709
Jana Baskar, *Chief Medical Officer*	312,120	35,894
Wolfgang G Jarolimek, *Head of Drug Discovery*	378,165	43,489
David M McGarvey, *Chief Financial Officer and Company Secretary*	393,605	45,265
Kristen Morgan , *Alliance Management-Head of Medical and Regulatory Affairs*	255,359	29,366

[1] Annual base salaries may be subject to increase upon review annually by the Remuneration and Nomination Committee.
[2] From the 1st July 2024 the Company will pay superannuation equal to 11.5% of the annual base salary per year for the benefit of the Senior Executive Officers.
[3] The employment contracts for all Senior Executive Officers are evergreen in nature.

Share-based compensation

Grants of Equity under the Employee Performance Rights Plan to Senior Executive Officers and nominated employees

The terms and conditions of each grant of performance rights affecting remuneration of Directors and Senior Executive Officers in this or future reporting periods are as follows. For vesting conditions refer to the section Principles used to determine the nature and amount of remuneration above:

Grant date	Expiry date	Exercise price	Value per performance right at grant date	Number of performance rights granted	Number of option grantees	Vesting Date
13 August 2020	30 June 2030	$ Nil	$0.238	1,661,000	4	50% of the rights have now lapsed[2], the remaining balance vested: 50% at 30 June 2022 and 50% at 30 June 2023
04 November 2020	30 June 2030	$ Nil	$0.108	942,000	1	50% of the rights have now lapsed[2], the remaining balance vested: 50% at 30 June 2022 and 50% at 30 June 2023
12 August 2021	30 June 2031	$ Nil	$0.095	1,674,400	4	55% of the rights have now lapsed[2], the remaining balance vested: 50% at 30 June 2023 and 50% at 30 June 2024
5 November 2021	30 June 2031	$ Nil	$0.120	4,885,600	5	55% of the rights have now lapsed[2], the remaining balance vested: 50% at 30 June 2023 and 50% at 30 June 2024
1 July 2022	28 June 2032	$ Nil	$0.066	843,000	1	50% at 30 June 2024 and 50% at 30 June 2025
18 October 2022	30 June 2032	$ Nil	$0.078	3,565,000	3	50% at 30 June 2024 and 50% at 30 June 2025
29 November 2022	30 June 2032	$ Nil	$0.065	2,771,000	1	50% at 30 June 2024 and 50% at 30 June 2025
12 October 2023	30 June 2033	$ Nil	$0.0337	4,678,000	4	50% at 30 June 2025 and 50% at 30 June 2026
29 November 2023	30 June 2033	$ Nil	$0.0300	2,771,000	1	50% at 30 June 2025 and 50% at 30 June 2026

[1] Shares issued upon exercise of performance rights to Senior Executive Officers are restricted from sale by the officer as long as they are employed by the Group, without prior approval of the Board.
No option holder has any right under the options to participate in any other share issue of the Company or of any other entity. The Syntara Corporate Governance Framework prohibits Directors and Senior Executive Officers from trading in Syntara derivatives.
[2] The performance rights issued during the year ending 30 June 2019, 2020 and 2021 were subject to performance criteria.

Grants of Equity under the Non-Executive Option Plan.

The terms and conditions of each grant of premium priced options remuneration of Non-Executive in this or future reporting periods are as follows. For vesting conditions refer to 2.1 above:

Grant date	Expiry date	Exercise price	Value per option at grant date	Number of performance rights granted	Number of option grantees	Vesting Date
2 December 2022	1 December 2027	$0.11	$0.0203	9,000,000	3	In equal quarterly instalments over 3 years commencing quarter ended 31 December 2022
14 February 2024	15 February 2029	$0.04	$0.00725	6,000,000	2	In equal quarterly instalments over 3 years commencing quarter ended 31 March 2024

Performance Rights

Details of performance rights over ordinary shares provided as remuneration to each Director and each Senior Executive Officer is set out below. When exercisable, each performance right is convertible into one ordinary share. Performance rights are issued at a zero purchase price. Vesting details are set out in the subsequent table. Further information on the performance rights is set out in this Remuneration Report (Equity Granted to Directors and Senior Executive Officers above) and in Note 30 to the Annual Financial Report in Section 6 of this Statutory Annual Report. The assessed fair value at grant date of performance rights granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables below. Fair value at grant date is assessed using the closing share price on the date of grant.

	Performance rights granted during the year				Rights vested during the year	
	2024 Expiration Date	2024 Exercise Price	2024 Number	2023 Number	2024 Number	2023 Number
Directors						
GJ Phillips	30 June 2033	$ nil	2,771,000	2,771,000	–	769,650
Senior Executive Officers						
J Baskar	30 June 2033	$ nil	1,113,000	843,000	–	–
WG Jarolimek	30 June 2033	$ nil	1,322,000	1,322,000	–	366,950
DM McGarvey	30 June 2033	$ nil	1,376,000	1,376,000	–	382,275
K Morgan	30 June 2033	$ nil	867,000	867,000	–	240,925

Non-Executive Director Options

Details of non-executive director options provided as remuneration to Non-Executive Directors subsequent to shareholder approval is set out below. When exercisable, each option is convertible into one ordinary share. Options are issued at a zero purchase price. Vesting details are set out in the subsequent table. Further information on the options is set out in this Remuneration Report (Equity Granted to Directors and Senior Executive Officers above) and in Note 30 to the Annual Financial Report in Section 6 of this Statutory Annual Report. The assessed fair value at grant date of performance rights granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables below. Fair value at grant date is assessed using the closing share price on the date of grant.

Name	NED options granted during the year				NED options vested during the year	
	2024 Expiration Date	2024 Exercise Price	2024 Number	2023 Number	2024 Number	2023 Number
MJ McComas	-	-	-	3,000,000	250,000	750,000
KM Metters	-	-	-	3,000,000	1,000,000	750,000
N Graham	-	-	-	3,000,000	250,000	750,000
SP Green	15/2/2029	$0.040	3,000,000	-	500,000	-
WMH De Silva	15/2/2029	$0.040	3,000,000	-	500,000	-

Shares Issued on Exercise of Remuneration Options

Name	Date of grant of options	Amount paid per share on exercise	Ordinary shares issued on exercise of options during the year 2024	2023
GJ Phillips	14 November 2017	$ Nil	-	770,000
GJ Phillips	22 November 2018	$ Nil	-	310,500
GJ Phillips	21 November 2019	$ Nil	-	324,450
GJ Phillips	4 November 2020	$ Nil	-	235,500
WG Jarolimek	31 July 2015	$ Nil	-	296,000
WG Jarolimek	26 July 2016	$ Nil	-	204,000
K Morgan	26 July 2016	$ Nil	-	118,000
K Morgan	18 July 2017	$ Nil	-	209,000
DM McGarvey	31 July 2015	$Nil	-	120,000

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Additional Information on Compensation Paid to Directors and Senior Executive Officers
Details of Director and Senior Executive Officer Remuneration: Cash Bonuses, NED Options and Performance Rights

For each cash bonus and grant of performance rights included in the tables above, the percentage of the available bonus or grant that was paid, or that vested, in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below. No part of the bonuses is payable in future years.

For performance rights granted between 1 July 2018 and 30 June 2022 vesting was subject to an assessment of corporate performance for the financial year following the grant date based on long term focused annual corporate objectives achieved in the financial year. Corporate performance was assessed after the end of the financial year following the grant date based on long term focused annual corporate objectives achieved in the financial year. Performance rights are lapsed at that point to the extent the long term focused subset of corporate objectives have not been met.

Time based vesting of performance rights is as follows. Performance rights granted in 2015 to 2024 vest 50% two years from the date of grant and 50% three years from the date of grant provided the Senior Executive Officer remained as an employee of the Group at the relevant vesting date. Unvested performance rights lapse in the event the Senior Executive Officer ceases to be an employee before the relevant vesting date.

	Cash Bonus		Performance Rights & NED Options				Performance Rights & NED Options	
Name	Payable %	Forfeited %	Granted Year	Vested %	Forfeited %	Vesting Years	Minimum total value of grant yet to vest $	Maximum total value of grant yet to vest $
Non-executive Directors – NED Options								
MJ McComas	-	-	2023	33	67	2023, 2024	-	-
KM Metters	-	-	2023	66	-	2023, 2024	-	25,375
N Graham	-	-	2023	33	67	2023, 2024, 2025, 2026	-	-
SP Green	-	-	2024	25	-	2024, 2025, 2026, 2027	-	18,136
WMH De Silva	-	-	2024	25	-	2024, 2025, 2026, 2027	-	18,136
Executive Director – Performance Rights								
GJ Phillips	74%	26%	2022	100	55	2023, 2024	-	-
			2023	50	-	2024, 2025	-	90,057
			2024	-	-	2025, 2026	-	83,130
Senior Executive Officers – Performance Rights								
J Baskar	72%	28%	2023	50	-	2024, 2025	-	27,891
			2024	-	-	2025, 2026	-	37,464
WG Jarolimek	73%	27%	2022	100	55	2023, 2024	-	-
			2023	50	-	2024, 2025	-	42,965
			2024	-	-	2025, 2026	-	44,499
DM McGarvey	79%	21%	2022	100	55	2023, 2024	-	-
			2023	50	-	2024, 2025	-	44,720
			2024	-	-	2025, 2026	-	46,317
K Morgan	75%	25%	2022	100	55	2023, 2024	-	-
			2023	50	-	2024, 2025	-	28,177
			2024	-	-	2025, 2026	-	29,184

Share-Based Compensation Paid to Directors and Senior Executive Officers

Further details relating to options and performance rights granted to, exercised by or lapsed, for Directors and Senior Executive Officers during the financial year ended 30 June 2024 are set out below:

Name	A Remuneration consisting of NED Options and performance rights %	B **Value at grant date** $	C **Value at exercise date** $	D **Value at lapse date** $
NED Options				
MJ McComas	0%	60,900	-	60,900
KM Metters	5%	60,900	-	-
N Graham	0%	60,900	-	60,900
H De Silva	5%	21,763	-	-
S Green	5%	21,763	-	-
Performance Rights				
GJ Phillips	20%	175,374	83,130	-
J Baskar	9%	70,441	37,464	-
WG Jarolimek	12%	83,668	44,499	-
DM McGarvey	12%	87,086	46,317	-
K Morgan	12%	54,872	29,184	-

A = The percentage of the value of remuneration consisting of options, based on the value at grant date as set out in column B.
B = The value at grant date calculated in accordance with AASB 2 *Share-based Payment* of options granted during the year as part of remuneration.
C = The difference between the market price of shares and the exercise price of options at exercise date that were granted in prior years as part of remuneration and were exercised during the year.
D = The value at lapse date of options that were granted as part of remuneration and that lapsed during the year because a vesting condition was not satisfied. The value is determined at the time of lapsing, but assuming the condition was satisfied.

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

2024	**Balance at the start of the year**	**Received as part of remuneration**	**Additions**	**Disposals/ other**	**Balance at the end of the year**
Ordinary shares					
MJ McComas[1]	2,490,409	-	-	(2,490,409)	-
GJ Phillips	5,699,843	-	-	-	5,699,843
KM Metters	20,000	-	-	-	20,000
N Graham[1]	-	-	-	-	-
SP Green	-	-	909,091	-	909,091
WMH De Silva	867,636	-	-	-	867,636
J Baskar	400,000	-	1,136,364	-	1,536,364
WG Jarolimek	1,721,550	-	-	-	1,721,550
DM McGarvey	1,039,651	-	-	-	1,039,651
K Morgan	327,000	-	-	-	327,000
	12,566,089	-	2,045,455	(2,490,409)	12,121,135

[1] Retired 3 October 2023. Other refers to directors balance on retirement date.

Other transactions with key management personnel

There were no other transactions with key management personnel during the year ended 30 June 2024.

Loans to Directors and executives

Nil. Not permitted under Syntara corporate governance framework.

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
MJ McComas	3,000,000	-	-	(3,000,000)	-
KM Metters	3,000,000	-	-	-	3,000,000
N Graham	3,000,000	-	-	(3,000,000)	-
SP Green	-	3,000,000	-	-	3,000,000
WMH De Silva	-	3,000,000	-	-	3,000,000
	9,000,000	6,000,000	-	(6,000,000)	9,000,000

Equity Remuneration
Shares Under Equity Plans

Total unissued ordinary shares under equity plans at the date of this report are as follows:

Equity Plan movement	Performance Rights Number	NED Equity Number
Total unissued ordinary shares under plans at 30 June 2024 – refer note 23	33,218,420	9,000,000

No option or performance right holder has any right to participate in any other share issue of the Company or any other entity.

Shares issued on the exercise of performance rights and zero exercise priced share plan

There were no ordinary shares issued during the year ended 30 June 2024 on the exercise of performance rights granted under the Performance Rights Plan or zero exercise priced option share plan to Key Management Personal (30 June 2023: 2,939,475).

This concludes the remuneration report, which has been audited.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Gary J Phillips
Director

30 August 2024

Syntara Limited
Consolidated entity disclosure statement
As at 30 June 2024

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements. As at 30 June 2024, the group was comprised only of Syntara Limited, the parent who is an Australian tax resident. During the year, Pharmaxis Pharmaceuticals Limited and Pharmaxis Europe Limited were disposed of.

Auditor's Independence Declaration

As lead auditor for the audit of Syntara Limited for the year ended 30 June 2024, 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 audit; and

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

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

David Ronald
Partner
PricewaterhouseCoopers

Sydney
30 August 2024

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Syntara Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Revenue			
Other revenue	5	89	117
Other income	6	5,764	6,232
		5,853	6,349
Expenses			
Employee expenses		(7,317)	(6,482)
Administration & corporate		(2,464)	(2,195)
Depreciation and amortisation expense		(232)	(1,848)
Rent, occupancy & utilities		(288)	(588)
Clinical trials		(7,175)	(5,677)
Drug development		(1,124)	(3,036)
Safety, medical & regulatory affairs		(91)	(8)
Foreign exchange gains & losses		357	610
Other expenses		(799)	(330)
Finance costs		(386)	(223)
Loss before income tax expense from continuing operations		(13,666)	(13,428)
Income tax expense	7	-	-
Loss after income tax expense from continuing operations		(13,666)	(13,428)
(Loss)/profit after income tax expense from discontinued operations	8	(1,476)	2,068
Loss after income tax expense for the year attributable to the owners of Syntara Limited		(15,142)	(11,360)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Syntara Limited		(15,142)	(11,360)
Total comprehensive income for the year is attributable to:			
Continuing operations		(13,666)	(13,428)
Discontinued operations		(1,476)	2,068
		(15,142)	(11,360)
		Cents	Cents
Basic loss per share from continuing operations	21	(1.43)	(2.05)
Diluted loss per share from continuing operations	21	(1.36)	(1.97)
Basic loss per share from discontinued operations	21	(0.15)	0.32
Diluted loss per share from discontinued operations	21	(0.15)	0.30

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Syntara Limited
Consolidated statement of financial position
As at 30 June 2024

	Note	2024 $'000	2023 $'000
Assets			
Current assets			
Cash and cash equivalents	9	3,520	9,230
Trade and other receivables	10	5,904	7,807
Receivable from purchaser of mannitol business unit	11	350	-
Inventories	12	-	1,641
Total current assets		9,774	18,678
Non-current assets			
Trade and other receivables	10	56	2,823
Property, plant and equipment	13	383	1,843
Intangibles	14	168	682
Total non-current assets		607	5,348
Total assets		10,381	24,026
Liabilities			
Current liabilities			
Trade and other payables	15	4,317	4,717
Borrowings	16	157	2,043
Employee benefits	17	515	988
Other liabilities	18	-	285
		4,989	8,033
Liabilities directly associated with discontinued operations	19	462	-
Total current liabilities		5,451	8,033
Non-current liabilities			
Borrowings	16	84	6,318
Employee benefits	17	166	116
Total non-current liabilities		250	6,434
Total liabilities		5,701	14,467
Net assets		4,680	9,559
Equity			
Issued capital	20	399,324	389,699
Reserves	22	24,951	24,313
Accumulated losses		(419,595)	(404,453)
Total equity		4,680	9,559

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Syntara Limited
Consolidated statement of changes in equity
For the year ended 30 June 2024

	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2022	380,440	23,457	(393,093)	10,804
Loss after income tax expense for the year	-	-	(11,360)	(11,360)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(11,360)	(11,360)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	9,259	-	-	9,259
Share-based payments (note 23)	-	856	-	856
Balance at 30 June 2023	389,699	24,313	(404,453)	9,559

	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2023	389,699	24,313	(404,453)	9,559
Loss after income tax expense for the year	-	-	(15,142)	(15,142)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(15,142)	(15,142)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	9,625	-	-	9,625
Share-based payments (note 23)	-	638	-	638
Balance at 30 June 2024	399,324	24,951	(419,595)	4,680

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 year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,625	5,832
Payments to suppliers and employees (inclusive of GST)		(23,229)	(26,894)
		(21,604)	(21,062)
Interest received		261	117
Australian government R&D tax credit		5,193	5,028
Grant received from Parkinson's UK for PXS-4728 study		1,667	1,448
Sale of Orbital technology to Aptar		-	7,192
Net cash used in operating activities	25	(14,483)	(7,277)
Cash flows from investing activities			
Payments for property, plant and equipment		(7)	(138)
Proceeds from disposal of assets		1,492	7
Net cash from/(used in) investing activities		1,485	(131)
Cash flows from financing activities			
Proceeds from issue of shares		10,000	10,000
Transactions costs related to the issue of shares		(678)	(741)
Lease liability payments		(2,105)	(2,247)
Financing agreement payments		(20)	(33)
Short term loan in relation to R&D tax credit		4,400	-
Repayment of short term loan		(4,400)	-
Net cash from financing activities		7,197	6,979
Net decrease in cash and cash equivalents		(5,801)	(429)
Cash and cash equivalents at the beginning of the financial year		9,230	8,937
Effects of exchange rate changes on cash and cash equivalents		91	722
Cash and cash equivalents at the end of the financial year	9	3,520	9,230

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

Syntara Limited
Notes to the consolidated financial statements
30 June 2024

Note 1. General information

The financial statements cover Syntara Limited as a Company consisting of Syntara Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Syntara Limited's functional and presentation currency.

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

Registered office	Principal place of business
20 Rodborough Rd, Frenchs Forest NSW 2086	20 Rodborough Rd, Frenchs Forest NSW 2086

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

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.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

During the year the Group incurred an operating loss of $15,142K (30 June 2023: $11,360K) and net operating cash outflows of $14,483K (30 June 2023: $7,277K). As at 30 June 2024, the Group has cash and cash equivalents of $3,520K (30 June 2023: $9,230K). Subsequent to the end of the year the Company announced a private placement raising $5,000K, before transaction related expenses. The placement is split across two tranches (tranche one: $2,700K and tranche two: $2,300K), with tranche one received on 5 August 2024 and tranche two subject to shareholder approval at the Extraordinary General Meeting to be held 20 September 2024.

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 $921K deposit subsequent to termination of the Frenchs Forest lease.
- $4,558K expected from the R&D tax incentive for the 2024 financial year and other future R&D tax incentive income; and/or
- access to additional sources of equity share capital.

Note 2. Material accounting policy information (continued)

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 30 June 2024. 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.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention unless otherwise noted.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Syntara Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Syntara Limited and its subsidiaries together are referred to in these financial statements as the 'Company'.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Company are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Company loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Company recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition

The Company recognises revenue as follows:

Sale of goods
Sales revenue is recognised when the performance obligation of transferring goods to the buyer has been satisfied and can be measured reliably. Goods are considered transferred to the buyer when the buyer obtains control of that good, which is at the earlier of delivery of the goods or the transfer of legal title to the buyer.

Note 2. Material accounting policy information (continued)

Interest
Interest income is recognised on a time proportion basis using the effective interest method.

Research & Development tax incentive income
Research & Development tax incentive income is recognised when there is reasonable assurance that the income will be received, the relevant expenditure has been incurred, and the consideration can be reliably measured.

Sale of drug candidates
Milestone payments received pursuant to any drug candidate asset and purchase agreements with no further performance obligations on the part of the company are recognised as income when the specified contract milestone event is satisfied and payment is unconditional only subject to passage of time.

Sale of distribution rights
Payments received for the grant of the right to distribute products in a territory are recognised as income when the specified contract event is satisfied and payment obligation is only subject to passage of time.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. When the company receives income in advance of incurring the relevant expenditure, it is treated as deferred income as the company recognises the income only when the relevant expenditure has been incurred.

Grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Grants relating to the purchase of plant and equipment are included in liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Note 2. Material accounting policy information (continued)

Current and deferred tax is recognised in profit or loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income, or directly in equity, respectively.

Discontinued operations

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Property, plant and equipment

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment	5-15 years
Computer equipment	4 years
Leased building and improvements	1-15 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Note 2. Material accounting policy information (continued)

Patents
Patents have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the patents over their estimated useful lives, which vary from 5 to 20 years.

Research and development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Software
Software licenses are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the software over their estimated useful lives, which vary from 3 to 5 years.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition and receipt of a valid invoice. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

Employee benefits

Short term obligations
Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long term obligations
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Retirement benefit obligations
Contributions to defined contribution funds are recognised as an expense as they become payable.

Bonus plans
The Group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of the Australian Accounting Standards Board 137, Provisions, Contingent Liabilities and Contingent Assets (AASB 137) and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Share-based payments
Equity-based compensation benefits are provided to employees via the Syntara Employee Equity Plans. Information relating to these schemes is set out in note 30. The fair value of equity granted under the various plans are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the performance rights.

Note 2. Material accounting policy information (continued)

For performance rights the fair value at grant date is taken to be the closing share price on the date of grant.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, performance targets). Non-market vesting conditions are included in assumptions about the number of performance rights that are expected to become exercisable. At each balance sheet date, the Company revises its estimate of the number of performance rights that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of recognised tax benefits) are shown in equity as a deduction from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Syntara Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2024. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

(a) Finance liabilities
The group has recognised a financial liability in relation to an agreement with SWK Funding LLC in accordance with the accounting policy stated in note 2. The finance income recognised in the income statement related to this financial liability has been calculated by taking into account sales forecasts in territories covered by the agreement and applicable exchange rates. Significant judgement has been applied in deriving these assumptions. Where the outcomes of these assumptions are different from the amounts that were initially recorded, such differences will impact the financial liabilities and finance costs in the period in which such determination is made. Following the sale of the Mannitol Business Unit this is no longer applicable.

(b) Receivables – US Margin
The group receives quarterly payments from its US Bronchitol distributor based on Bronchitol sales by the distributor and calculated by reference to a contractual percentage and the net sales invoiced by the distributor to its customers. The group recognises a US Margin Receivable at the time Bronchitol is sold to the US distributor which is reduced as quarterly payments are made by the distributor the Syntara. The recoverability of the receivable is dependent upon the distributor selling the product before it expires and is therefore reliant on US Bronchitol sales forecasts provided by the distributor. Significant judgement has been applied in deriving these assumptions. Where the outcomes of these assumptions are different from the amounts that were initially recorded, such differences will impact the financial assets in the period in which such determination is made. Following the sale of the Mannitol Business Unit this is no longer applicable.

(c) Income taxes
The group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes and other tax related balances. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group estimates its tax liabilities/receipts based on the group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(d) Discontinued operations - Mannitol Business Unit
The sale of the mannitol respiratory business unit (MBU) to Arna Pharma Pty Ltd, (Arna Pharma) is a discontinued operation. Judgement has been applied in the attribution of costs to discontinued operation due to the inherent complexity of the sale agreement.

Note 4. Operating segments

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 8. 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.

Note 5. Other revenue

	2024 $'000	2023 $'000
Interest	89	117

Note 6. Other income

	2024 $'000	2023 $'000
Grants	781	532
R&D Tax Incentive income	4,558	5,246
Other income	425	454
	5,764	6,232

Note 7. Income tax expense

	2024 $'000	2023 $'000
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(13,666)	(13,428)
Profit/(loss) before income tax expense from discontinued operations	(1,476)	2,068
	(15,142)	(11,360)
Tax at the statutory tax rate of 25%	(3,786)	(2,840)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	153	205
Government tax incentives	1,480	1,298
Adjustment to prior year tax return	(437)	(1,679)
Other non-deductible adjustments and sundry items	854	166
	(1,736)	(2,850)
Deferred tax benefits (utilised) / not recognised	1,736	2,850
Income tax expense	-	-

	2024 $'000	2023 $'000
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	341,249	334,305
Potential tax benefit @ 25%	85,312	83,576

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Discontinued operations

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 $5,141K receivable from Arna Pharma at 30 June 2024 includes a series of payments that were to be made over the course of the 2024 calendar year, a number of which vary based on the expenses incurred by Syntara. The company is also entitled to royalties on the net profits from the sale of: (i) Bronchitol and Aridol (for a seven year period commencing on the second anniversary of completion of the MBU); (ii) products manufactured using the spray drier sold as part of the sale other than Bronchitol or Aridol (for a 10 year period from first commercial delivery of such product); and (iii) other products manufactured in the Rodborough Rd facility (for an 8 year period commencing on the date of first sale of such products). At 30 June 2024 due to the performance of the the business unit sold the Company has not received and is not entitled to any royalty under the agreement. Other liabilities at 30 June 2024 of $462K are expenses related to the discontinued operations.

Note 8. Discontinued operations (continued)

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.

Financial performance information

	2024 $'000	2023 $'000
Revenue for sale of goods	546	5,765
Orbital milestone and option fee	-	7,192
Total revenue	546	12,957
Discontinued expenses	(3,019)	(10,889)
Bad debt expense	(4,783)	-
Total expenses	(7,802)	(10,889)
Profit/(loss) before income tax expense	(7,256)	2,068
Income tax expense	-	-
Profit/(loss) after income tax expense	(7,256)	2,068
Gain on disposal before income tax	5,780	-
Income tax expense	-	-
Gain on disposal after income tax expense	5,780	-
Profit/(loss) after income tax expense from discontinued operations	(1,476)	2,068

Cash flow information

	$'000
Net cash used in operating activities	(1,331)
Net cash from investing activities	1,492
Net cash used in financing activities	(20)
Net increase in cash and cash equivalents from discontinued operations	141

Note 8. Discontinued operations (continued)

Details of the disposal

	$'000
Cash received at 30 June 2024	2,462
Future amounts receivable	5,141
Carrying amount of net liabilities disposed	661
Disposal costs	(2,484)
Gain on disposal before income tax	5,780
Gain on disposal after income tax	5,780

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.

Carrying amounts of assets and liabilities disposed

	$'000
Trade and other receivables	2,580
Inventories	3,479
Property, plant and equipment	455
Total assets	6,514
Other liabilities	7,175
Total liabilities	7,175
Net liabilities	(661)

Note 9. Cash and cash equivalents

	2024 $'000	2023 $'000
Current assets		
Cash at bank	3,398	484
Cash on deposit	122	8,746
	3,520	9,230

Note 10. Trade and other receivables

	2024 $'000	2023 $'000
Current assets		
Trade receivables	-	985
US Margin receivable	-	724
	-	1,709
R&D Tax Incentive and grant related receivables	4,558	5,193
Prepayments	295	331
Tax related receivables	130	574
Security deposits	921	-
	5,904	7,807
Non-current assets		
Security deposits	56	947
US Margin receivable	-	1,876
	56	2,823
	5,960	10,630

Note 11. Receivable from purchaser of mannitol business unit

	2024 $'000	2023 $'000
Current assets		
Receivable - sale of the subsidiary	5,135	-
Less: Allowance for expected credit losses	(4,785)	-
	350	-

In July 2024 the Company announced that Arna Pharma had recently challenged amounts claimed by Syntara primarily related to the fixed payments of the agreement. Other contractual payment obligations were also in dispute. While Syntara is confident in its position, Arna Pharma's approach creates some uncertainty as to the timing and recoverability of certain amounts owing. Syntara has therefore appointed external counsel to actively pursue available legal remedies, if required, but for financial reporting purposes has conservatively provided for the majority of the amount owed to it by Arna Pharma as a doubtful debt.

Note 12. Inventories

	2024 $'000	2023 $'000
Current assets		
Inventories - at cost	-	1,641

Note 13. Property, plant and equipment

	2024 $'000	2023 $'000
Non-current assets		
Leased buildings and improvements	233	24,799
Less: Accumulated depreciation and impairment	-	(23,436)
	233	1,363
Plant and equipment - at cost	178	17,530
Less: Accumulated depreciation	(28)	(17,056)
	150	474
Computer equipment - at cost	-	935
Less: Accumulated depreciation	-	(929)
	-	6
	383	1,843

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant and equipment $'000	Computer equipment $'000	Leased building and improvements $'000	Total $'000
Balance at 1 July 2022	925	53	2,234	3,212
Additions	64	-	77	141
Disposals	(7)	-	-	(7)
Transfers in/(out)	3	-	-	3
Depreciation expense	(511)	(47)	(948)	(1,506)
Balance at 30 June 2023	474	6	1,363	1,843
Additions	7	-	233	240
Disposals	(303)	(6)	(1,170)	(1,479)
Depreciation expense	(28)	-	(193)	(221)
Balance at 30 June 2024	150	-	233	383

Note 14. Intangibles

	2024 $'000	2023 $'000
Non-current assets		
Patents - at cost	181	19,945
Less: Accumulated amortisation	(13)	(19,365)
	168	580
Trademarks - at cost	-	111
Less: Accumulated amortisation	-	(86)
	-	25
Software - at cost	-	1,101
Less: Accumulated amortisation	-	(1,024)
	-	77
	168	682

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Patents $'000	Trademarks $'000	Software $'000	Total $'000
Balance at 1 July 2022	879	30	115	1,024
Amortisation expense	(299)	(5)	(38)	(342)
Balance at 30 June 2023	580	25	77	682
Disposals	-	(25)	(77)	(102)
Write off of assets[1]	(399)	-	-	(399)
Amortisation expense	(13)	-	-	(13)
Balance at 30 June 2024	168	-	-	168

[1]Capitalised patents that have been written off during the year relate to patents that the company holds but are not currently developing any assets related to them.

Note 15. Trade and other payables

	2024 $'000	2023 $'000
Current liabilities		
Trade payables	614	1,582
Unearned income	1,877	939
Other payables	1,826	2,196
	4,317	4,717

Refer to note 26 for further information on financial instruments.

Other payables
Other payables include accruals for annual leave. The entire obligation is presented as current, since the Group does not have an unconditional right to defer settlement.

Note 15. Trade and other payables (continued)

Unearned income
Represents unearned grant received in advance of future expenditure.

Note 16. Borrowings

	2024 $'000	2023 $'000
Current liabilities		
Lease liabilities	149	2,043
Other liabilities	8	-
	157	2,043
Non-current liabilities		
Financing arrangements	-	6,318
Lease liabilities	84	-
	84	6,318
	241	8,361

Refer to note 26 for further information on financial instruments.

Note 17. Employee benefits

	2024 $'000	2023 $'000
Current liabilities		
Long service leave	515	988
Non-current liabilities		
Long service leave	166	116
	681	1,104

Note 18. Other liabilities

	2024 $'000	2023 $'000
Current liabilities		
Financing agreement	-	285

Note 19. Liabilities directly associated with discontinued operations

	2024 $'000	2023 $'000
Current liabilities		
Other payables	462	-

Note 20. Issued capital

	2024 Shares	2023 Shares	2024 $'000	2023 $'000
Ordinary shares - fully paid	1,194,031,776	719,584,305	399,324	389,699

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2022	549,078,163		380,440
Exercise of employee options [1]		2,939,475	$0.00	-
Employee Share Plan [2]		900,000	$0.00	-
Issuance of shares		166,666,667	$0.00	10,000
Transaction costs arising on share issue		-	$0.00	(741)
Balance	30 June 2023	719,584,305		389,699
Exercise of employee options [1]		6,130,155	$0.00	-
Employee Share Plan [2]		13,771,861	$0.00	-
Issuance of shares		454,545,455	$0.02	10,000
Transaction costs arising on share issue		-	$0.00	(375)
Balance	30 June 2024	1,194,031,776		399,324

[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.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Equity plans
Information relating to the Employee Equity Plans, including details of equity instruments issued, exercised and lapsed during the financial year and outstanding at the end of the financial year, is set out in note 23.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The Group predominately uses equity to finance its projects. In order to maintain or adjust the capital structure, the Group may issue new shares.

Note 21. Earnings per share

	2024 $'000	2023 $'000
Earnings per share for loss		
Loss after income tax from continuing operations	(13,666)	(13,428)
(Loss)/profit after income tax from discontinued operations	(1,476)	2,068
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	955,342,115	655,624,293
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	42,218,420	24,824,998
Weighted average number of ordinary shares used in calculating diluted earnings per share	997,560,535	680,449,291
	Cents	**Cents**
Basic loss per share from continuing operations	(1.43)	(2.05)
Diluted loss per share from continuing operations	(1.36)	(1.97)
Basic loss per share from discontinued operations	(0.15)	0.32
Diluted loss per share from discontinued operations	(0.15)	0.30

Options granted to employees under the 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. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 23.

Note 22. Reserves

	2024 $'000	2023 $'000
Share-based payments reserve	24,951	24,313

	2024 $'000	2023 $'000
Balance 1 July	24,313	23,457
Equity expense / (credit)	638	856
Balance at 30 June	24,951	24,313

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 23. Share-based payments

(a) Performance Rights Plan

The Performance Rights Plan enables the grant of employee options with a zero grant price and a zero exercise price, known commonly as "Performance Rights" to eligible employees of the Group. Senior Executives will, together with other eligible employees be invited by the Remuneration and Nomination Committee to participate in this plan. The key features of the plan are as follows:

- Performance Rights are granted under the Employee Option Plan ("EOP"), approved by shareholders at the 2021 annual general meeting.
- Grant price and exercise price of zero, with a life of 10 years from grant date.
- The number of performance rights to be granted is determined by the Board, taking into account the employee's position and responsibility, salary, and the Company's share price and until the end of the 2018 financial year, the employee's performance.
- The vesting of performance rights is set by the Board at an appropriate future date or dates and vesting will only occur if the employee remains an employee of the Group. The performance rights will lapse in the event the employee ceases to be an employee before the vesting date.
  - Half of granted performance rights vest two years from the grant date and the other half vest three years from the grant date.
  - As more fully described in the Remuneration Report, from 1 July 2018 to 30 June 2022 performance vesting conditions were assessed 12 months from the time of grant. From 1 July 2022 there are no performance vesting conditions other than continued employment with the Group.
- Shares issued upon exercise of performance rights are restricted from sale by the employee as follows:
  - Shares issued upon exercise are restricted from sale for three years from grant date.
  - Shares issued upon exercise of performance rights to Senior Executive Officers are restricted from sale by the officer as long as they are employed by the Group, without prior approval of the Board. The guidelines under which the Board will determine whether to give its approval include the progress of the Group in achieving its stated goals over the period since grant, the impact of a sale on the market in the Group's shares, the Company's share price, and whether it is an appropriate time for such a sale, amongst other criteria.

There were 15,985,920 vested performance rights at 30 June 2024 (11,966,451 at 30 June 2023).

Set out below are summaries of the performance rights granted under the plan:

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
31/07/2015	30/06/2025	$0.00	1,054,500	-	(515,500)	-	539,000
26/07/2016	30/06/2026	$0.00	2,098,975	-	(344,000)	-	1,754,975
18/07/2017	30/06/2027	$0.00	1,819,000	-	(682,000)	-	1,137,000
14/11/2017	30/06/2027	$0.00	43,000	-	-	-	43,000
25/07/2018	30/06/2028	$0.00	880,650	-	(484,000)	-	396,650
14/08/2019	30/06/2029	$0.00	1,134,000	-	(388,950)	-	745,050
13/08/2020	30/06/2030	$0.00	1,882,250	-	(641,450)	-	1,240,800
04/11/2020	30/06/2030	$0.00	235,500	-	-	-	235,500
12/08/2021	30/06/2031	$0.00	1,859,085	-	(560,200)	(100,980)	1,197,905
03/11/2021	30/06/2031	$0.00	1,068,300	-	-	-	1,068,300
05/11/2021	30/06/2031	$0.00	2,709,765	-	(665,055)	(151,470)	1,893,240
01/07/2022	30/06/2032	$0.00	843,000	-	-	-	843,000
18/10/2022	30/06/2032	$0.00	10,853,000	-	(1,616,000)	(1,382,000)	7,855,000
29/11/2022	30/06/2033	$0.00	2,771,000	-	-	-	2,771,000
12/10/2023	30/06/2034	$0.00	-	9,432,000	(233,000)	(472,000)	8,727,000
29/11/2023	30/06/2034	$0.00	-	2,771,000	-	-	2,771,000
			29,252,025	12,203,000	(6,130,155)	(2,106,450)	33,218,420

Note 23. Share-based payments (continued)

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
07/06/2013	06/06/2023	$0.00	66,500	-	(66,500)	-	-
31/07/2015	30/06/2025	$0.00	1,525,500	-	(471,000)	-	1,054,500
26/07/2016	30/06/2026	$0.00	2,470,000	-	(371,025)	-	2,098,975
18/07/2017	30/06/2027	$0.00	2,035,000	-	(216,000)	-	1,819,000
14/11/2017	30/06/2027	$0.00	813,000	-	(770,000)	-	43,000
25/07/2018	30/06/2028	$0.00	927,000	-	(46,350)	-	880,650
22/11/2018	30/06/2028	$0.00	310,500	-	(310,500)	-	-
14/08/2019	30/06/2029	$0.00	1,229,900	-	(95,900)	-	1,134,000
21/11/2019	30/06/2029	$0.00	324,450	-	(324,450)	-	-
13/08/2020	30/06/2030	$0.00	1,914,500	-	(32,250)	-	1,882,250
04/11/2020	30/06/2030	$0.00	471,000	-	(235,500)	-	235,500
12/08/2021	30/06/2031	$0.00	1,918,285	-	-	(59,200)	1,859,085
03/11/2021	30/06/2031	$0.00	1,068,300	-	-	-	1,068,300
05/11/2021	30/06/2031	$0.00	2,798,565	2,175,360	-	(2,264,160)	2,709,765
01/07/2022	30/06/2032	$0.00	-	843,000	-	-	843,000
18/10/2022	30/06/2033	$0.00	-	10,853,000	-	-	10,853,000
29/11/2022	30/06/2033	$0.00	-	2,771,000	-	-	2,771,000
			17,872,500	16,642,360	(2,939,475)	(2,323,360)	29,252,025

The weighted average remaining contractual life of performance rights outstanding at the end of the period was 7.9 years (2023 – 7.9 years).

Fair value of performance rights granted
The assessed fair value at grant date of performance rights granted during the year ended 30 June 2023 is detailed in the table below. The fair value at grant date is taken as the closing share price on the date of grant.

2024 **Grant date**	2024 **No. of options granted**	2024 **Exercise Price**	2024 **Share Price**	2023 **Grant date**	2023 **No. of options granted**	2023 **Exercise Price**	2023 **Share Price**
12 Oct 2023	9,432,000	–	$0.0340	01 Jul 2022	843,000	–	$0.071
29 Nov 2023	2,771,000	–	$0.0300	18 Oct 2022	10,853,000	–	$0.078
				29 Nov 2022	2,771,000	–	$0.0825

(b) Employee Share Plan

The Company Share Plan was launched in September 2010 and will grant up to A$1,000 of fully paid ordinary shares to eligible employees of the Group. For employees outside of Australia, Syntara Limited (formerly Pharmaxis Ltd) may grant A$1,000 of options (refer note (d) below) in place of ordinary shares. Senior executives do not participate in this plan. Set out below are summaries of employee shares granted under the plan:

	2024 Number	**2023** Number
Number of shares issued under the plan to participating employees	-	900,000

Note 23. Share-based payments (continued)

(c) Non-executive director options (NED Options)

- NED Options were granted on 14 February 2024 subsequent to shareholder approval at the 2023 annual general meeting.
- Three million NED Options were granted to each of new non-executive directors Simon Green and Hashan De Silva.
- The NED Options have a term of 5 years and vest in equal quarterly instalments over 3 years, subject to the non-executive director continuing to be an eligible person for the purposes of the Option Plan at the relevant time.
- The NED Options were granted for zero grant price and have an exercise price per NED Option of $0.04

There were 2,750,000 vested NED Options at 30 June 2024 (2,250,000 at 30 June 2023). Set out below are summaries of the NED Options granted under the plan:

Grant Date	Expiry Date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested at end of the year
2-Dec-2022	1-Dec-2027	$0.11	9,000,000	-	–	6,000,000	3,000,000	1,750,000
14-Feb-2024	13-Feb-2029	$0.04	-	6,000,000	-	-	6,000,000	1,000,000

(d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2024 $'000	2023 $'000
Equity instruments issued under employee equity plans	614	821

Note 24. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 25. Reconciliation of loss after income tax to net cash used in operating activities

	2024 $'000	2023 $'000
Loss after income tax expense for the year	(15,142)	(11,360)
Adjustments for:		
Depreciation and amortisation	232	1,848
Unrealised foreign exchange (gains) / losses	359	1,472
Non-cash share based payments	614	821
Assets written off	418	-
Net gain on disposal of non-current assets	(1,492)	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,909	266
Decrease in inventories	1,641	696
Increase in operating assets	(623)	(1,105)
Increase/(decrease) in trade and other payables	(1,691)	1,076
Decrease in operating liabilities	(285)	(1,021)
Increase/(decrease) in other provisions	(423)	30
Net cash used in operating activities	(14,483)	(7,277)

Note 26. Financial instruments

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and aging analysis for credit risk.

Risk management is carried out by the Chief Financial Officer under policies approved by the Board of Directors ('the Board'). The Board provides written principles of overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

The Group holds the following financial instruments:

	2024 $'000	2023 $'000
Financial assets		
Cash and cash equivalents	3,520	9,230
Trade and other receivables (current)	5,904	7,807
Other receivables (non-current)	56	2,823
	9,480	19,860
Financial liabilities		
Trade and other payables	4,317	3,778
Borrowings	157	2,043
	4,474	5,821

(a) Market Risk

(i) *Foreign exchange risk*

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Group's exposure to foreign currency risk at the reporting date was as follows:

	2024 USD $'000	2024 GBP $'000	2024 EUR $'000	2023 USD $'000	2023 GBP $'000	2023 EUR $'000
Cash and cash equivalents	17	435	469	323	669	1248
Trade receivables	-	-	-	62	72	396
Other receivables	-	-	-	-	88	305
Trade payables	339	5	17	970	57	82
Other payables	-	-	-	-	-	-
Other liabilities	-	-	-	4,288	–	–

Sensitivity

Based on the financial instruments held at 30 June 2024, had the Australian dollar weakened/strengthened by 5% against the USD with all other variables held constant, the Group's post-tax results for the year would have been $16,000 lower / higher, mainly as a result of foreign exchange gains/losses on translation of USD denominated financial assets/liabilities as detailed in the above table.

Note 26. Financial instruments (continued)

Cash flow and fair value interest rate risk

The Group's main interest exposure arises from term deposits held. As at the reporting date, the Group had the following cash profile:

	30 June 2024 Weighted average interest rate %	30 June 2024 Balance $'000	30 June 2023 Weighted average interest rate %	30 June 2023 Balance $'000
Cash at bank & deposits at call	0.19%	3,520	-	6,462
Term deposits	1.37%	977	4.12%	2,768
Other receivables	-	-	3.07%	2,823

The Group's main interest rate risk arises from cash and cash equivalents. At 30 June 2024, if interest rates had changed by +/- 50 basis points from the year-end rates with all other variables held constant, post-tax results for the year would have been $22,000 lower/higher, mainly as a result of higher/lower interest income from cash and cash equivalents.

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independent rated parties with a minimum short term money market rating of 'A-2' and a long term credit rating of 'A+' are accepted. Credit risk on term deposits is further managed by spreading a minimum of 50% of the investment portfolio across the four major Australian banks (with a short term rating of A1+).

Customer credit risk is managed by the establishment of credit limits. The compliance with credit limits by customers is regularly monitored by management, as is the ageing analysis of receivable balances. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised above. The Group has assessed the expected credit loss impact on adopting AASB 9 as immaterial due to the historically low level of default.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	2024 $'000	2023 $'000
Cash and cash equivalents		
A-1+	3,520	8,573
A-2	-	657
	3,520	9,230
Trade receivables		
Not rated	350	7,807
Other receivables		
AA-	-	2,823

Other receivables primarily represent bank guarantee facilities related to the Frenchs Forest lease liability and corporate credit card facilities.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets with short term maturity profiles.

Note 26. Financial instruments (continued)

Maturities of financial liabilities

The table below analyse the Group's financial liabilities, into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
At 30 June 2024						
Non-interest bearing	2,491	-	-	-	2,491	2,491
Fixed rate	157	84	-	-	243	243
Total non-derivatives	2,648	84	-	-	2,734	2,734
At 30 June 2023						
Non-interest bearing	3,202	-	-	-	3,202	3,202
Fixed rate	2,105	-	-	-	2,105	2,105
Total non-derivatives	5,307	-	-	-	5,307	5,307

Included on the balance sheet is a financial liability related to a financing agreement of $0 (2023: $6,603,000) This liability is accounted for in accordance with the Other liabilities Accounting Policy (see note 2) and the term of the agreement and forecast product related payment obligations are as detailed in note 18.

(d) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The carrying value of financial liabilities for disclosure purposes is estimated by discounting future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

Note 27. Related party transactions

Parent entity
Syntara Limited (formerly Pharmaxis Limited) is the parent entity. All subsidiaries were sold as part of the Mannitol Business Unit sale. All subsidiaries were dormant for the full prior year and the period of the current year until they were sold, therefore the parent entity financials reflect the consolidated financials for both years. Interests in subsidiaries are set out in note 28.

Key management personnel compensation
Key management personnel compensation during the current and previous financial year included:

	2024 $'000	2023 $'000
Short-term employee benefits	2,309	2,357
Post-employment benefits	334	190
Leave entitlement benefits	14	25
Share-based payments	400	393
	3,057	2,965

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 27. Related party transactions (continued)

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Pharmaxis Pharmaceuticals Limited[1]	United Kingdom	-	100.00%
Pharmaxis Europe Limited[1]	Ireland	-	100.00%

[1]Sold as part of the Mannitol Business Unit sale on 18 October 2023.

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the company, and its network firms:

	2024 $	2023 $
Audit services - PricewaterhouseCoopers		
Audit or review of the financial statements	148,000	143,000
Other services - PricewaterhouseCoopers		
Tax compliance services	24,740	27,000
Australian tax consulting services	5,000	7,650
International tax consulting and other tax advice	-	22,039
Taxation advice in relation to employee and director equity plans	-	15,419
	29,740	72,108
	177,740	215,108
Other services - international network firms		
Tax compliance services	40,283	25,657

Note 30. Commitments

	2024 $'000	2023 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	-	-
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	196
One to five years	-	-
More than five years	-	-
	-	196
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	175	2,104
One to five years	88	-
Total commitment	263	2,104
Less: Future finance charges	(30)	(61)
Net commitment recognised as liabilities	233	2,043
Representing:		
Current	149	2,043
Non-current	84	-
	233	2,043

Other commitments
The Company has in place a number of contracts with consultants and contract research organisations in relation to its business activities. The terms of these contracts are for relatively short periods of time and/or allow for the contracts to be terminated with relatively short notice periods. The actual committed expenditure arising under these contracts is therefore not material.

Note 31. Events after the reporting period

On 30 July 2024, the Company announced a two-tranche placement that would raise a total of $5,000K by issuing fully paid ordinary shares at $0.028 per share. Tranche one was $2,700K and tranche two which is subject to shareholder approval on 20 September 2024 is $2,300K.

On 31 July 2024, the Company announced it had completed full recruitment in its Phase 2 trial evaluating SNT-5055, in combination with ruxolitinib, treating the bone marrow cancer myelofibrosis.

On 5 August 2024, 96,428,571 ordinary shares were issued (Tranche 1 of the Placement announced 30 July 2024) raising $2,700K before costs. Tranche 2 of the Placement is expected to be issued following a general meeting to be held in September 2024.

On 8 August 2024 the Company announced that researchers at Heidelberg University would take its lead asset SNT-5505 into a phase 2 clinical trial for the blood cancers myelodysplastic syndrome (MDS) and chronic myelomonocytic leukemia (CMML), after they were awarded A$2.5m funding from Deutsche Krebshilfe.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Syntara Limited
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Gary J Phillips
Director

30 August 2024

Independent auditor's report

To the members of Syntara Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Syntara Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended

complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $15,142,000 and net operating cash outflows of $14,483,000 during the year ended 30 June 2024. The Group's ability to continue as a going concern is dependent on the Group continuing to receive ongoing funding and manage its cost base. These conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit scope	*Key audit matters*
• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Discontinued Operations • These are further described in the *Key audit matters* section of our report, except for the matter which is described in the *material uncertainty related to going concern* section.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter(s) described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Discontinued Operations *(Refer to note 8 – Discontinued Operations)* On 3 October 2023 the Company announced the sale of the mannitol respiratory business unit (MBU) to Arna Pharma Pty Ltd, (Arna Pharma). The sale included the only two subsidiaries of Syntara. The sale of the MBU completed on 18 October 2023 and the Company progressed a staged transition of the MBU across to Arna Pharma. In accordance with Australian Accounting Standards, these assets were disposed of and disclosed as discontinued operations. We have considered the discontinued operations disclosures of the sale as a key audit matter due to the size of the impact on the Company financial statements and the judgements applied by management due to the inherent complexity of the sale agreement.	Our procedures included, amongst others: • Read the Business and Share Sale Agreement and the associated Supplemental Deed (together the 'Agreement') to obtain an understanding of key terms of the sale • Agreeing fixed consideration to the Agreement and vouching a sample of other consideration amounts to support, including invoices to Arna Pharma, and, where relevant, agreeing payments received to bank statements • Obtaining an understanding of the basis for the provision recognised in respect of net consideration receivable • Agreeing asset and liability values disposed of to underlying financial records • Evaluating the reasonableness of the disclosures against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair

view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Syntara Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

David Ronald
Partner

Sydney
30 August 2024

Syntara Limited
Shareholder information
30 June 2024

The shareholder information set out below was applicable as at 22 August 2024.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares Number of holders	Restricted shares Number of holders	Total shares Number of holders	Ordinary shares % of total shares issued	NED Options Number of holders	Performance Rights Number of holders
1 to 1,000	321	-	321.00	0.01	-	-
1,001 to 5,000	991	-	991.00	0.25	-	-
5,001 to 10,000	719	-	719.00	0.45	-	-
10,001 to 100,000	1,759	17	1,776.00	5.36	-	-
100,001 and over	784	-	784.00	93.93	3	21.00
	4,574	17	4,591.00	100.00	3	21.00
Holding less than a marketable parcel	2,387	-	2,387.00	-	-	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary Shares Number held	Ordinary Shares % of total Ordinary Shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	219,518,357	17.01
D AND A INCOME LIMITED	187,554,114	14.53
CITICORP NOMINEES PTY LIMITED	148,481,333	11.51
HB BIOTECHNOLOGY LTD	45,214,080	3.50
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	38,526,882	2.99
MOGGS CREEK PTY LTD MOGGS CREEK SUPER A/C>	20,666,667	1.60
MOORE FAMILY NOMINEE PTY LTD MOORE FAMILY SUPER FUND A/C>	20,006,876	1.55
KEVREX PTY LTD KEVREX INVESTMENT A/C>	15,222,753	1.18
BNP PARIBAS NOMS PTY LTD	14,614,017	1.13
HARPER BERNAYS LIMITED HB BIOTECHNOLOGY NO 1 A/C>	12,398,327	0.96
DR TOBY DAVID COHEN	11,049,457	0.86
RBO PTY LTD	10,600,000	0.82
MOORE FAMILY NOMINEE PTY LTD MOORE FAMILY SUPER FUND A/C>	10,000,000	0.77
FINTER NOMINEES PTY LTD TJF FAMILY A/C>	6,000,000	0.46
LOCUS CAPITAL PTY LTD THE LOCUS A/C>	5,432,706	0.42
HEALTHCARE MANAGEMENT CONSULTING (AUSTRALIA) PTY LTD	5,262,950	0.41
MOCHI INVESTING PTY LTD MOCHI FAMILY A/C>	5,053,620	0.39
LAWN VIEWS PTY LTD ANGELA WILLIAMS FAMILY A/C>	5,047,935	0.39
UBS NOMINEES PTY LTD	5,000,000	0.39
MR PAUL HENRI VERON & MRS JULIE ANNE VERON DEAD KNICK S/F A/C>	5,000,000	0.39
	790,650,074	61.26

Unquoted equity securities

There are no unquoted equity securities.

Syntara Limited
Shareholder information
30 June 2024

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
D & A Income, Ltd.	234,254,944	19.62
Platinum Asset Management	205,406,102	17.20
BVF Partners L.P.	102,778,714	8.61

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options - performance rights and NED options
No voting rights.

There are no other classes of equity securities.