

Block Trade Proceeds To Reduce Director Loans

Melbourne, Australia; 16 June 2020: Cynata Therapeutics Limited (ASX: “CYP”, “Cynata”, or the “Company”), a clinical-stage biotechnology company specialising in cell therapeutics, advises an off-market block trade of 1,000,000 Cynata shares has been executed.

Key highlights:

- **Dr Stewart Washer and Dr Ross Macdonald have sold 1,000,000 shares in total to a single institutional investor**
- **Entire proceeds from the block trade will be used to reduce director loans**
- **Additional funds strengthen Cynata’s balance sheet and supports ongoing clinical development initiatives**

Entities associated with two Cynata directors, Dr Stewart Washer and Dr Ross Macdonald, have each sold 500,000 shares, via an off-market block trade, to a single institutional investor. Dr Stewart Washer and Dr Ross Macdonald remain in the top 10 shareholders of the Company.

The entire proceeds from the sale of shares will be used to fund the partial repayment of director loans. The director loans originated in August 2018. The proceeds increase Cynata’s cash position by A\$0.6m. Further details are outlined below and in the attached Appendix 3Ys.

Name	Position	Number of shares sold	Number of shares remaining post sale	Director Loan outstanding
Dr Ross Macdonald	Managing Director and Chief Executive Officer	500,000	2,070,050	A\$300k
Dr Stewart Washer	Non-Executive director	500,000	2,224,856	A\$300k

Dr Paul Wotton, Cynata’s Chairman, said:

“Dr. Stewart Washer and Dr. Ross Macdonald remain significant shareholders and are fully committed to delivering shareholder value. The independent Directors of the Cynata Board believe this block trade is a positive and in the interest of all shareholders. The proceeds of this sale further strengthens our balance sheet, following our recent capital raising and places Cynata in a strong position to progress the clinical development of Cymerus™ MSC products across multiple indications.”

-ENDS-

Authorised for release by Dr Ross Macdonald, Managing Director & CEO

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About Cynata Therapeutics (ASX: CYP)

Cynata Therapeutics Limited (ASX: CYP) is an Australian clinical-stage stem cell and regenerative medicine company focused on the development of therapies based on Cymerus™, a proprietary therapeutic stem cell platform technology. Cymerus™ overcomes the challenges of other production methods by using induced pluripotent stem cells (iPSCs) and a precursor cell known as mesenchymoangioblast (MCA) to achieve economic manufacture of cell therapy products, including mesenchymal stem cells (MSCs), at commercial scale without the limitation of multiple donors.

Cynata's lead product candidate CYP-001 met all clinical endpoints and demonstrated positive safety and efficacy data for the treatment of steroid-resistant acute graft-versus-host disease (GvHD) in a Phase 1 trial. Cynata plans to advance its Cymerus™ MSCs into Phase 2 trials for severe complications arising from COVID-19, GvHD, critical limb ischemia and osteoarthritis. In addition, Cynata has demonstrated utility of its Cymerus™ MSC technology in preclinical models of asthma, diabetic wounds, heart attack, sepsis, acute respiratory distress syndrome (ARDS) and cytokine release syndrome.

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