



CYNATA THERAPEUTICS LIMITED ACN 104 037 372

**NON-RENOUNCEABLE PRO RATA ENTITLEMENT OFFER
OFFER BOOKLET**

**1 for 15 Pro Rata Non-Renounceable Entitlement Offer
at an Offer Price of \$0.70 per New Share
to raise a maximum of approximately \$5.47 million (before costs)**

**The Entitlement Offer closes at 5.00pm (Melbourne time) on Wednesday, 13 January
2021**

The Entitlement Offer is not underwritten.

This Offer Booklet and accompanying Acceptance Form are important documents that require your immediate attention. They should be read in their entirety. If, after reading the Offer Booklet and accompanying Acceptance Form, you have any questions, you should contact your stockbroker, solicitor, accountant or other professional adviser. This Offer Booklet is not a prospectus and has not been (and will not be) lodged with the Australian Securities and Investments Commission.

Not for distribution or release in the United States or to U.S. persons.

Important Information

This Offer Booklet is issued by Cynata Therapeutics Limited (ACN 104 037 372) (**Cynata** or the **Company**) and is dated 21 December 2020.

This Offer Booklet and the accompanying Entitlement and Acceptance Form are important and should be read in their entirety before deciding whether or not to participate in the Entitlement Offer. In particular, you should consider the risk factors outlined in the Investor Presentation attached as Annexure A to this Offer Booklet.

No person is authorised to give any information or make any representation in connection with the Entitlement Offer described in this Offer Booklet, which is not contained in this Offer Booklet. Any information or representation not contained in this Offer Booklet may not be relied on as being authorised by the Company in connection with the Entitlement Offer.

Not a Prospectus

The Entitlement Offer to which this Offer Booklet relates complies with the requirements of section 708AA of the Corporations Act. Accordingly, neither this Offer Booklet nor the Acceptance Form is a prospectus for the purposes of the Corporations Act. Accordingly, these documents do not contain all of the information that a prospective investor may require to make an investment decision. They do not, and are not required to, contain all of the information which would otherwise be required to be disclosed in a prospectus. They are not required to be, and will not be, lodged with ASIC.

This Offer Booklet should be read in conjunction with the Company's other periodic and continuous disclosure announcements to ASX available at www.asx.com.au.

By paying for your New Shares through BPAY in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agreed to the terms of the Entitlement Offer detailed in this Offer Booklet. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved.

No overseas registration

This Offer Booklet does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer or the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia and New Zealand.

Accordingly this Entitlement Offer is not being extended to, and no New Shares will be issued to, Shareholders having registered addresses outside Australia and New Zealand (unless the Company, at its discretion, determines that an offer can be made outside those jurisdictions in compliance with applicable securities laws). This Offer Booklet is not being sent to those Shareholders.

Future Performance and Forward Looking Statements

Neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made under this Offer Booklet.

Some statements in this Offer Booklet are in the nature of forward looking statements. Forward-looking statements may be identified by words such as "aim", "intend", "should", "expect", "estimate" and similar expressions. Such statements are not statements of fact and are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward-looking

statements, opinions and estimates are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the control of the Company, the Directors and management which may cause actual results to differ materially from those expressed or implied in such statements.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither the Company nor any other person gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur.

Past Performance

Investors should note that past performance, including the past share price performance of the Company, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of the Company including its future share price.

Financial amounts

All numbers in this Offer Booklet are in Australian dollars and any financial data is presented as at the date stated in this Offer Booklet.

Times and dates

Times and dates in this Offer Booklet are indicative only and may be subject to change. All times and dates refer to Melbourne time. Refer to the "Key Dates" section of this Offer Booklet for more details.

Entitlement Offer non-renounceable

The rights to subscribe for New Shares pursuant to the Entitlement Offer are non-renounceable. Therefore, you cannot trade entitlements on the ASX and you cannot transfer or otherwise dispose of them.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

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Chairman's Letter

21 December 2020

Dear Shareholder

As a valued shareholder of Cynata Therapeutics Limited (**Cynata** or the **Company**), I am pleased to offer you the opportunity to participate in a non-renounceable pro rata entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$0.70 per New Share (**Offer Price**) to raise a maximum of approximately \$5.47 million (before costs) (**Entitlement Offer**).

The Company has undertaken a successful placement of New Shares at the Offer Price to raise \$15 million (before costs) (**Placement**). The Offer Price represents a discount of 9.6% to the 5-day VWAP as of 8 December 2020 of \$0.774 (the last day of trading of Cynata shares prior to announcement of the Entitlement Offer).

The funds raised under the Placement and the Entitlement Offer will be used for the following purposes:

- **Expand clinical development pipeline:** to pursue additional clinical trials in commercially attractive, high priority indications including idiopathic pulmonary fibrosis (IPF), renal transplantation and diabetic foot ulcers (DFU).
- **Process development and commercialisation:** to optimise and expand manufacturing capabilities to enhance scale-up efficiencies and to progress Cynata's US regulatory strategy, to place the Company in a strong position to accelerate commercialisation of its MSC products.
- **Working capital and costs of the Entitlement Offer and Placement.**

Under the Entitlement Offer, Eligible Shareholders have the opportunity to subscribe for 1 New Share for every 15 existing Shares held at 7.00pm (Melbourne time) on the record date of Wednesday, 16 December 2020 (**Record Date**) at the Offer Price of \$0.70 per New Share.

The number of New Shares you are entitled to subscribe for under the Entitlement Offer (**Entitlement**) is set out in your personalised Acceptance Form that is attached to this Offer Booklet. Eligible Shareholders who apply for 100% of their Entitlement are also entitled to apply for New Shares in excess of their Entitlement under a shortfall facility.

The Entitlement Offer is non-renounceable and therefore your Entitlements will lapse and your Shareholding will be diluted if you do not wish to take up some or all of the New Shares representing your Entitlement.

The Entitlement Offer is not underwritten. Accordingly, if the Company does not receive applications for all of the New Shares offered under the Entitlement Offer it will not raise the maximum proceeds sought to be raised under the Entitlement Offer (of approximately \$5.47 million).

Other information

This Information Booklet contains important information, including:

- instructions on how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates;
- a personalised Entitlement and Acceptance Form which details your Entitlement and provides instructions of how to participate in the Entitlement Offer;
- instructions on how to take up all or part of your Entitlement via BPAY; and
- an Investor Presentation (see **Annexure A**) that contains an update on the business of the Company and the details of the Placement.

The Entitlement Offer closes at 5.00pm on Wednesday, 13 January 2021, unless extended by the Company.

Please read in full the details on how to submit your Application, which are set out in this Offer Booklet. For further information regarding the Entitlement Offer, please call the Share Registry on 1300 288 664 or + 612 9698 5414 (outside Australia) at any time from 8.30am to 5.00pm (Melbourne time) on Monday to Friday during the Entitlement Offer period.

You should also consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions regarding whether or not to participate in the Entitlement Offer.

On behalf of the Board of Cynata, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely

Dr Geoff Brooke
Chairman
Cynata Therapeutics Limited

Key details

Summary of the Entitlement Offer & Placement	
Entitlement Offer Ratio	1 New Share for every 15 Shares held by Eligible Shareholders on the Record Date
Offer Price	\$0.70 per New Share
Maximum number of New Shares to be issued assuming 100% subscribed	~7.8 million New Shares
Maximum amount to be raised before costs assuming 100% subscribed	\$5.47 million
Amount to be raised under the Placement at the Offer Price	\$15.0 million
Number of New Shares to be issued under the Placement	~21.44 million New Shares
Capital Structure	
Subject to rounding of fractional Entitlements, the capital structure of Cynata following the issue of New Shares is expected to be as follows:	
Shares on issue as at 11 December 2020 (announcement of the Entitlement Offer and Placement)	117,124,004
Shares to be issued under the Placement	21,440,295
New Shares to be issued under the Entitlement Offer (assuming 100% subscribed)	7,808,267
Total Shares on issue following completion of the Entitlement Offer (assuming the Entitlement Offer is 100% subscribed)	146,372,566
Options on issue on completion of the Entitlement Offer	7,575,000

Key Dates

The indicative timetable for the Entitlement Offer is as follows:

Event	Date
Announcement Date Company announced the Placement and Entitlement Offer	Friday, 11 December 2020
Record Date	7.00pm (Melbourne time) on Wednesday, 16 December 2020
Settlement of the Placement (ex Bioscience Managers)*	Friday, 18 December 2020
New Shares issued under the Placement (ex Bioscience Managers)*	Monday, 21 December 2020
Company despatches the Offer Booklet to Eligible Shareholders	Monday, 21 December 2020
Opening Date	Monday, 21 December 2020
Settlement of the Placement (Bioscience Managers)*	Wednesday, 23 December 2020
New Shares issued under the Placement (Bioscience Managers)*	Thursday, 24 December 2020
Closing Date	5.00pm (Melbourne time on Wednesday, 13 January 2021
Announcement of results of Entitlement Offer	Monday, 18 January 2021
Settlement of the Entitlement Offer	Tuesday, 19 January 2021
Issue of New Shares	Wednesday, 20 January 2021
Trading of New Shares	Thursday, 21 January 2021
Despatch of holding statements for New Shares	Thursday, 21 January 2021

* As announced to ASX on 18 December 2020, the \$10 million subscription for New Shares made by Phillip Asset Management Limited as trustee for BioScience Managers Translation Fund 1, together with an additional approximately \$0.1 million investment from another institutional investor, will settle and complete three business days after the balance of the Placement. These subscriptions are binding commitments.

This timetable is indicative only and subject to change. The Company may vary these dates subject to the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right to withdraw or not proceed with the Entitlement Offer at any time before the allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

The commencement of quotation New Shares is subject to the discretion of ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

Is this Offer Booklet relevant to you?

This Offer Booklet is relevant to you if you are an Eligible Shareholder.

“Eligible Shareholders” are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Melbourne time) on 16 December 2020;
- have a registered address in Australia or New Zealand, or are otherwise Shareholders who the Company has determined are eligible to participate in the Entitlement Offer;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive and participate in the Entitlement Offer.

In this Offer Booklet, references to “you” are references to Eligible Shareholders and references to “your Entitlement” (or “your Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders.

Enquiries

For further information (including if you would like a replacement Acceptance Form), please call the Share Registry on 1300 288 664 or + 612 9698 5414 (outside Australia) at any time from 8.30am to 5.00pm (Melbourne time) Monday to Friday. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

1 Details of the Entitlement Offer

1.1 Overview

The Company is making a pro rata, non-renounceable offer of 1 New Share for every 15 Shares held by Eligible Shareholders registered at 7.00pm (Melbourne time) on the Record Date, being Wednesday, 16 December 2020.

The Offer Price is \$0.70 per New Share. The Offer Price represents a discount of 9.6% to the 5-day VWAP as of 8 December 2020 of \$0.774 (the last day of trading of Cynata shares prior to announcement of the Entitlement Offer).

The Entitlement Offer will raise a maximum of approximately \$5.47 million, assuming all of the New Shares offered under the Entitlement Offer are subscribed for. The Entitlement Offer is not underwritten, so if there is a Shortfall the Company may not raise the full amount sought under the Entitlement Offer.

There is no minimum subscription to participate in the Entitlement Offer.

An Acceptance Form setting out your Entitlement accompanies this Offer Booklet. Eligible Shareholders may subscribe for all or part of their Entitlement. Eligible Shareholders who subscribe for all of their Entitlement may apply for New Shares in excess of their Entitlement under the Shortfall Facility (refer to section 1.5).

The rights to subscribe for New Shares pursuant to the Entitlement Offer are non-renounceable. Therefore, you cannot trade Entitlements on the ASX and you cannot transfer or otherwise dispose of them. If you do not take up all of your Entitlement you will be diluted as a result of the Entitlement.

The choices available to Eligible Shareholders in respect of the Entitlement Offer are described in Section 2. The Entitlement Offer is scheduled to close at **5.00pm (Melbourne time) on Wednesday, 13 January 2021**.

Eligible Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are set out in the Investor Presentation attached as Annexure A to this Offer Booklet.

1.2 Purpose of Entitlement Offer

The Entitlement Offer will raise a maximum of approximately \$5.47 million (before costs associated with the Entitlement Offer).

The Company intends to apply the funds for the following purposes:

- **Expand clinical development pipeline:** to pursue additional clinical trials in promising indications. High priority targets include idiopathic pulmonary fibrosis (IPF), renal transplantation and diabetic foot ulcers (DFU).
- **Process development and commercialisation:** to optimise and expand manufacturing capabilities to enhance scale-up efficiencies and to progress Cynata's US regulatory strategy, to place the Company in a strong position to accelerate commercialisation of its MSC products.
- **Working capital and costs of the Entitlement Offer and Placement.**

1.3 Eligibility to participate

The Entitlement Offer is being made to all Eligible Shareholders (as defined in the Glossary in Section 5). The number of New Shares to which each Eligible Shareholder is entitled is shown in the accompanying, personalised Acceptance Form.

Directors and other related parties who are Eligible Shareholders may participate in the Entitlement Offer.

Any Shareholder that is not an Eligible Shareholder will be an Ineligible Shareholder. The Company reserves the right to determine whether a shareholder is an Eligible Shareholder or an Ineligible Shareholder.

By making a payment via BPAY, you will be taken to have represented and warranted that you satisfy each of the criteria to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice on how to proceed.

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of those Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in foreign jurisdictions.

The Directors reserve the right to reject any Application that they believe comes from a person who is not an Eligible Shareholder.

1.4 Entitlements and acceptance

Details of how to apply under the Entitlement Offer are set out in Section 2 of this Offer Booklet.

The Entitlement of Eligible Shareholders to participate in the Entitlement Offer will be determined on the Record Date and is set out on the Acceptance Form accompanying this Offer Booklet. Shareholders who subscribe for their Entitlement in full may apply for New Shares in excess of their Entitlement under the Shortfall Facility (see section 1.5 below).

The Entitlement Offer is non-renounceable and accordingly Entitlements may not be purchased, sold or transferred.

1.5 Shortfall Facility

(a) *Shortfall Facility*

The Entitlement Offer incorporates a Shortfall Facility under which Eligible Shareholders can apply for New Shares in excess of their pro rata Entitlement (**Additional New Shares**). The issue of Additional New Shares will be dependent on there being a Shortfall in the take up of pro rata entitlements under the Entitlement Offer.

Eligible Shareholders who wish to apply for Additional New Shares under the Shortfall Facility can do so by specifying the number of Additional New Securities they wish to apply for in the space provided on their Entitlement and Acceptance Form.

There is no maximum number of Additional New Shares that an Eligible Shareholder may apply for.

(b) *Allocation of Shortfall among applicants under the Shortfall Facility*

In the event that the Shortfall is equal to or greater than the number of Additional New Shares applied for under the Shortfall Facility, all of the Additional New Shares applied for under the Shortfall Facility will be allocated to applicants under the Shortfall Facility (to the extent permitted by law).

In the event that the Shortfall is less than the number of Additional New Shares applied for under the Shortfall Facility, scale back will apply to applicants under the Shortfall Facility. The scale-back among those applicants will be considered and determined by the Board at its discretion, taking into account the total Shortfall, the number of Additional New Shares applied for and each applicant's current shareholding.

(c) *No certainty regarding allocations*

There can be no guarantee of the number of Additional New Shares available to Eligible Shareholders under the Shortfall Facility.

Eligible Shareholders who apply for Additional New Shares under the Shortfall Facility will be bound to accept any lesser number of Additional New Shares allocated to them in accordance with the allocation procedure described above. If you do not receive all of the Additional New Shares you applied for, any excess application monies will be returned to you without interest.

The Board's decision as to the allocation of Additional New Shares will be final and binding.

(d) *How to apply for Additional New Shares*

Eligible Shareholders who wish to apply for Additional New Shares should follow the instructions in the Acceptance Form and make payment for the Additional New Shares via BPAY. Any Additional New Shares that are applied for must be paid for at the same time, and in the same way, that the New Shares to be issued pursuant to the acceptance of Entitlements are paid for.

1.6 Placement of Shortfall

If there is a Shortfall after completion of the Entitlement Offer (and the Shortfall Facility), the Company reserves the right to place any Shortfall with any professional or sophisticated investors who may elect to subscribe for New Shares. Any Shortfall must be issued within 3 months of the Closing Date and at a price per New Share that is no less than the Offer Price.

The Directors reserve the right to issue any Shortfall at their discretion.

1.7 Underwriting

The Entitlement Offer is not underwritten. Accordingly, the Company may not raise the maximum proceeds (of approximately \$5.47 million) sought under the Entitlement Offer.

1.8 Capital Structure following completion of the Entitlement Offer

The capital structure of the Company following completion of the Entitlement Offer is set out in the 'Key Details' section of this Offer Booklet.

1.9 Optionholders

Optionholders will not be entitled to participate in the Entitlement Offer unless they:

- are entitled to exercise their options under the terms of their issue and do so, so that they are registered as holders of Shares prior to the Record Date; and
- participate in the Entitlement Offer as a result of being a holder of Shares registered on the register of the Company at the Record Date.

1.10 Effect of the Placement and Entitlement Offer on the Company's financial position

A consolidated pro forma balance sheet showing the effect of the Placement and the Entitlement Offer on the Company's financial position is set out in section 3.5.

1.11 Ranking of New Shares

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with existing Shares. The rights and liabilities attaching to the New Shares are set out in Cynata's constitution, a copy of which is available by request by calling the Share Registry on 1300 288 664 or + 612 9698 5414 (outside Australia) at any time from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Entitlement Offer period. It is also available on the ASX website (www.asx.com.au).

1.12 Quotation and Allotment

The Company will apply to the ASX for quotation of the New Shares.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

Allotment of New Shares under the Entitlement Offer will only be made after permission for their quotation on the ASX has been granted.

Application Monies will be held by the Company on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

1.13 Issue and Despatch

The expected dates for issue of New Shares offered by this Offer Booklet and despatch of holding statements is expected to occur on the dates specified in the 'Key details' section of this Offer Booklet.

Eligible Shareholders who have elected to receive communications from the Company by email will be emailed the Offer Booklet at their nominated email address.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements do so at their own risk.

1.14 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer

Booklet. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

1.15 Further information

Eligible Shareholders can obtain a copy of this Offer Booklet from the Cynata website at www.cynata.com.au or by calling the Share Registry on 1300 288 664 or + 612 9698 5414 (outside Australia) at any time from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the offer period. Persons who access the electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet. The electronic version of this Offer Booklet will not include an Acceptance Form. A replacement Acceptance Form can be requested by calling the Share Registry.

2 How to apply

2.1 What Eligible Shareholders may do

The number of New Shares to which you are entitled is shown on the accompanying Acceptance Form.

Eligible Shareholders may:

- (a) apply for all of your Entitlement and, if you do, apply for Additional New Shares under the Shortfall Facility (refer to Section 2.2);
- (b) apply for part of your Entitlement, in which case the balance will lapse (refer to Section 2.3); or
- (c) do nothing and allow all of your Entitlement to lapse (refer to Section 2.4).

If you have more than one registered holding of Shares, you will be sent more than one Acceptance Form and you will have a separate Entitlement for each separate holding.

2.2 Taking up all of your Entitlement and participating in the Shortfall Facility

If you wish to take up your Entitlement in full, and apply for Additional New Shares in the Shortfall Facility, follow the instructions set out in the Acceptance Form.

Please make payment by BPAY so that cleared funds are received **no later than 5.00pm (Melbourne time) on Wednesday, 13 January 2021.**

2.3 Taking up part of your Entitlement and electing for the balance to lapse

If you wish to take up part of your Entitlement and allow the rest to lapse, make payment via BPAY for the number of New Shares you wish to take up by following the steps set out in the Acceptance Form.

If payment is made through BPAY and the Company receives an amount that is less than the Offer Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as the Reduced Amount will pay for in full.

The portion of your Entitlement not taken up will lapse without further action by you.

2.4 Allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse. Your percentage shareholding in the Company will be diluted.

2.5 Payment for your Entitlement

Eligible Shareholders may only make payment for New Shares via BPAY.

Please follow the instructions on the Acceptance Form. You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Please note that by paying by BPAY:

- you do not need to submit the Acceptance Form but are taken to make the declarations on that Acceptance Form; and
- you are deemed to have applied for such whole number of New Shares which is covered in full by your Application Monies, whether that number is less than or equal to your Entitlement.

When paying by BPAY please make sure you use the specific Biller Code and your unique customer reference number (CRN) which can be found on the back of your Acceptance Form. If the amount paid is more than the total Application Monies for your Entitlement (and any application under the Shortfall Facility), the excess will be remitted to you (without interest) as soon as practicable after the Closing Date.

It is your responsibility to ensure that your BPAY payment is received by the Share Registry by no later than 5.00pm (Melbourne time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Payment by cheque and money order will not be accepted.

2.6 Eligible Shareholders in New Zealand

Eligible Shareholders in New Zealand who do not have access to BPAY who wish to apply for New Shares should contact the Share Registry.

2.7 Eligible Shareholder declarations

A payment made through BPAY or any other means constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Booklet and, once lodged or paid, cannot be withdrawn. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete an Application, is final.

By making a payment by BPAY or any other means, you will be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you are an Eligible Shareholder and:

- (a) you have read and understand this Offer Booklet and your Acceptance Form in their entirety;
- (b) you agree to be bound by the terms and conditions of the Entitlement Offer, the provisions of this Offer Booklet and the accompanying Acceptance Form, and the Company's constitution;
- (c) you authorise the Company to register you as the holder(s) of New Shares allotted to you;
- (d) all details and statements in the Acceptance Form are complete and accurate;
- (e) you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Acceptance Form;
- (f) once the Company receives your payment of Application Monies, you may not withdraw your Application or funds provided except as allowed by law;
- (g) you agree to apply for and be issued up to the number of New Shares for which you have submitted payment of any Application Monies, at the Offer Price per New Share;

- (h) you authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Acceptance Form;
- (i) you declare that you are the registered holder(s) at the Record Date of the Shares indicated on the Acceptance Form as being held by you;
- (j) the information contained in this Offer Booklet and your Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (k) this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (l) you acknowledge the statement of risks in the "Risk factors" section of the Investor Presentation (refer to Annexure A), and that investments in the Company are subject to risks, not all of which are disclosed in this Offer Booklet;
- (m) you acknowledge that none of the Company or its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you authorise the Company to correct any errors in your Acceptance Form or other form provided by you;
- (p) for the benefit of the Company, you are not an Ineligible Shareholder and you are eligible to participate in the Entitlement Offer;
- (q) the law of any place does not prohibit you from being given this Offer Booklet and the Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- (r) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (s) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold, directly or indirectly, in the United States absent registration except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (t) you have not and will not send any materials relating to the Entitlement Offer to any person (including nominees or custodians) where to do so would breach applicable laws; and

- (u) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale is illegal.

2.8 Nominees, Trustees and Custodians

Shareholders resident in Australia and New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement does not breach regulations in the relevant overseas jurisdiction. These shareholders should seek independent advice as to how they should proceed.

Making payment for New Shares will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3 Purpose and effect of the Entitlement Offer

3.1 Purpose and effect

The Entitlement Offer will raise gross proceeds of up to \$5.47 million before costs.

The Placement will raise gross proceeds of \$15 million before costs.

The funds raised under the Placement and the Entitlement Offer will be used for the following purposes:

- **Expand clinical development pipeline:** to pursue additional clinical trials in commercially attractive, high priority indications including idiopathic pulmonary fibrosis (IPF), renal transplantation and diabetic foot ulcers (DFU).
- **Process development and commercialisation:** to optimise and expand manufacturing capabilities to enhance scale-up efficiencies and to progress Cynata's US regulatory strategy, to place the Company in a strong position to accelerate commercialisation of its MSC products.
- **Working capital and costs of the Entitlement Offer and Placement.**

3.2 Capital Structure following completion of the Entitlement Offer

Assuming all Entitlements are taken up (either through the Entitlement Offer or the Shortfall Facility) the Entitlement Offer will comprise the issue of 7,808,267 New Shares (subject to rounding) to raise approximately \$5.47 million.

Accordingly, on completion of the Entitlement Offer and Placement, the capital structure of the Company will comprise:

- (a) on an undiluted basis:
 - (i) 146,372,566 Shares; and
 - (ii) 7,575,000 options to acquire Shares;
- (b) on a fully diluted basis (assuming exercise of all of the options on issue), the Company will have 153,947,566 Shares on issue.

3.3 Potential effect of the Entitlement Offer on control of the Company

The effect of the Entitlement Offer on control of the Company will depend on a number of factors including:

- the offer ratio of New Shares offered under the Entitlement Offer;
- the level of Eligible Shareholder participation;
- which Eligible Shareholders participate;
- the level of participation in the Shortfall Facility; and
- the ability for the Company to place any Shortfall with professional and sophisticated investors identified by the Company.

The issue of New Shares under the Entitlement Offer is not expected to have a material effect or consequence on the control of the Company given:

- the Entitlement Offer is structured as a pro-rata issue;
- the Entitlement Offer is not underwritten;
- the Entitlement Offer ratio is 1 New Share for every 15 existing Shares, meaning that a maximum of 6.7% of the Company's issued capital will be issued under the Entitlement Offer; and
- the current level of holdings of substantial holders (based on substantial holding notices that have been given to the Company and lodged with ASX on or before the date of this notice).

3.4 Effect on shareholdings of Shareholders

The Entitlement Offer will have the effect of diluting the percentage shareholdings of Shareholders who do not participate in the Entitlement Offer (including under the Shortfall Facility). In particular:

- (a) Shareholders who do not take up their full pro rata Entitlement under the Entitlement Offer will have their percentage shareholding in the Company diluted following the issue of New Shares under the Entitlement Offer;
- (b) Shareholders who take up their full pro rata entitlement under the Entitlement Offer will maintain their percentage shareholding;
- (c) Shareholders who take up their full pro rata entitlement under the Entitlement Offer and receive New Shares under the Shortfall Facility, will increase their percentage shareholding in the Company to the extent they receive additional New Shares under the Shortfall Facility; and
- (d) the proportional shareholdings of Ineligible Shareholders will be diluted as those Shareholders are not entitled to participate in the Entitlement Offer.

Shareholders will also have their shareholdings diluted as a result of the Placement.

3.5 Historical and pro forma consolidated balance sheet as at 30 June 2020

This section contains a summary of the historical financial information for Cynata at 30 June 2020 (**Historical Financial Information**) and a pro-forma historical statement of the financial position of Cynata as at 30 June 2020 (**Pro Forma Historical Financial Information**) (collectively, **Financial Information**).

The Financial Information has been prepared to illustrate:

- (a) the effect of the Placement;
- (b) the effect of raising 100% of the amount sought under the Entitlement Offer.

Proforma Balance Sheet	Audited Accounts 30/06/2020	Proforma Adjustments	Proforma Balance Sheet
	\$	\$	\$
Current assets			
Cash and cash equivalents	13,649,644	19,862,315	33,511,959
Other current assets	201,045		201,045
Total current assets	13,850,689		33,713,004
Non-current assets			
Intangibles	2,972,495		2,972,495
Loans receivable	657,656		657,656
Total non-current assets	3,630,151		3,630,151
Total assets	17,480,840		37,343,155
Current liabilities			
Trade and other payables	634,754		634,754
Provisions	54,982		54,982
Total current liabilities	689,736		689,736
Total liabilities	689,736		689,736
Net assets	16,791,104		36,653,419
Equity			
Issued capital	57,165,390	19,862,315	77,027,705
Option Reserves	4,782,446		4,782,446
Foreign currency translation reserve	4,724		4,724
Accumulated losses	(45,161,456)		(45,161,456)
Equity	16,791,104		36,653,419

3.6 Basis of preparation of Financial Information

The stated basis of preparation for the Historical Financial Information is in accordance with the recognition and measurement principles of the Australian Accounting Standards.

The stated basis of preparation for the Pro Forma Historical Financial Information is in a manner consistent with the recognition and measurement principles of the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in this section of the offer Booklet, as if those events or transactions had occurred as at 30 June 2020.

3.7 Pro-forma adjustments to consolidated balance sheet

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information and has been prepared on the basis that the Placement and the Entitlement Offer occurred as at 30 June 2020 and assumes:

- (a) completion of the Placement, involving the issue of 21,440,295 New Shares at the Offer Price to raise \$15 million; and
- (b) an allotment of 7,808,267 New Shares at the Offer Price to raise gross proceeds of \$5.47 million, representing a 100%-subscribed Entitlement Offer.

4 Important information

4.1 Information and Representations

This Offer Booklet (including the enclosed Acceptance Form) has been prepared by the Company.

There may be additional announcements made by the Company after the date of this Offer Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration of whether to take up, sell or transfer or do nothing in respect of, your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by the Company (by visiting the ASX website at www.asx.com.au, or the Company's website at www.cynata.com.au) before submitting your Application, or selling or transferring your Entitlement.

No party other than the Company has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer not contained in this Offer Booklet.

Any information or representation not contained in this Offer Booklet may not be relied on as having been authorised by the Company in connection with the Entitlement Offer.

4.2 Not a prospectus

Neither this Offer Booklet nor the Acceptance Form is a prospectus for the purposes of the Corporations Act and has not been lodged with ASIC. These documents do not contain the type of information which would be required to be included in a prospectus.

Accordingly, the level of disclosure contained in this Offer Booklet is significantly less than required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and all disclosures made to the ASX and should consult their professional advisors before deciding to accept the Entitlement Offer.

4.3 Trading New Shares

It is expected that trading on the ASX of New Shares to be issued under the Entitlement Offer will commence at 10.00am (Melbourne time) on Thursday, 21 January 2021 on a normal settlement basis.

4.4 Foreign Jurisdictions – restrictions and limitations

This Offer Booklet has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country outside Australia.

New Zealand Shareholders

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered address in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand) or the Financial Markets Conduct Act 2013 (New Zealand). This document is not an investment

statement or prospectus or product disclosure statement under New Zealand law and is not required to and may not, contain all the information that an information statement or prospectus or product disclosure statement under New Zealand law is required to contain.

United States Shareholders

This Entitlement Offer does not constitute an offer in the United States of America, nor does it constitute an offer to a person who is a US Person or someone who is acting on behalf of a US Person.

The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States of America, or to, or for the account or benefit of, US Persons (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. These Shares may only be resold or transferred if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register the New Shares in the United States of America.

4.5 Ineligible Shareholders

Shareholders who are not Eligible Shareholders are Ineligible Shareholders. The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

The Company has determined, in reliance of Listing Rule 7.7.1, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders, having regard to:

- (a) the small number of Ineligible Shareholders as a proportion of the total Shareholders;
- (b) the small number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- (c) the cost of complying with the legal and regulatory requirements in the overseas jurisdictions.

Accordingly, the Entitlement Offer is not being extended to any Shareholders outside Australia and New Zealand unless those Shareholders would be eligible under all applicable securities laws to receive an offer of, and be issued, New Shares under the Entitlement Offer without lodgement, filing or registration of the Entitlement Offer or any document issued in connection with the Entitlement Offer with any regulatory authority.

Where this Offer Booklet has been dispatched to an Ineligible Shareholder and where that jurisdiction's law, code or legislation prohibits or restricts in any way the making of the Entitlement Offer, this Offer Booklet is provided for information purposes only.

4.6 Risks

The Investor Presentation (Annexure A) details important factors and risks that could affect the financial and operating performance of the Company. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

4.7 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

4.8 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

4.9 No guarantees of future performance

The Company does not warrant or guarantee the future performance of the Company or any return on any investment made under this Entitlement Offer.

4.10 No investment advice

This Entitlement Offer is being made pursuant to the provisions of the Corporations Act which allow pro rata entitlement offers to be made without a prospectus. This Offer Booklet does not constitute financial product advice and has been prepared without taking into account Eligible Shareholders' investment objectives, financial circumstances or particular needs. The Offer Booklet does not purport to contain all the information that Eligible Shareholders may require to make an informed investment decision regarding, or about the rights attaching to, the New Shares. Before deciding whether to apply for New Shares, each Eligible Shareholder should consider whether the Company is a suitable investment for them in light of their own investment objectives and financial circumstances and should consider seeking professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether or not to invest.

4.11 Taxation

There may be tax implications associated with participating in the Entitlement Offer and receiving New Shares. The potential tax effects of participating in the Entitlement Offer will vary between investors. The Company considers that it is not appropriate to give advice regarding the tax consequences of subscribing for New Shares under this Offer Booklet or the subsequent disposal of any New Shares. Consequently, the Company strongly advises that all investors should satisfy themselves of any possible tax consequences by consulting their own professional tax adviser before deciding whether or not to participate in the Entitlement Offer.

4.12 Governing Law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Acceptance Forms or payment via BPAY are governed by the laws applicable in Victoria, Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

4.13 Privacy

If you submit an Application, you will be providing personal information to the Company (directly or through the Share Registry). The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

Shareholders can access, correct and update the personal information that is held about them, by contacting the Share Registry.

Collection, maintenance and disclosure of certain personal information is governed by legislation, including the *Privacy Act 1988* (Cth) and the Corporations Act. You should note that if all information required on the Acceptance Form is not provided, the Company may not be able to accept or process your Application.

5 Glossary

Term	Meaning
\$	Australian dollars.
Acceptance Form	The personalised Entitlement and Acceptance Form accompanying this Offer Booklet.
Additional New Shares	As defined in section 1.5
Applicant	A person who has applied to subscribe for New Shares under the Entitlement Offer.
Application	An application for New Shares made by an Eligible Shareholder.
Application Monies	The aggregate money payable for New Shares applied for by an Applicant.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by it.
Board	The board of Directors of the Company.
Business Day	A business day as defined in the Listing Rules.
Company or Cynata	Cynata Therapeutics Limited ACN 104 037 372.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Closing Date	The Closing Date referred to in the 'Key details' section of this Offer Booklet.
Director	A director of the Company.
Eligible Shareholder	A Shareholder at the Record Date who is not an Ineligible Shareholder.
Entitlement	The number of New Shares that an Eligible Shareholder is entitled to apply for under the Offer (on the basis of 1 New Share for every 15 Shares held on the Record Date).
Entitlement Offer	The 1 for 15 pro-rata non-renounceable rights issue of New Shares at the Offer Price.
GST	Goods and Services Tax (imposed under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth)).
Ineligible Shareholder	A Shareholder at the Record Date who: (a) has a registered address which is not in Australia or New Zealand; (b) is in the United States or is a U.S. Person or acting for the account or benefit of a U.S. Person; or (c) is ineligible under any applicable securities laws to receive an offer under the Entitlement Offer.
Issue Date	The Issue Date referred to in the 'Key dates and Offer details' section of this Offer Booklet.
Listing Rules	The official listing rules of the ASX, as amended from time to time.
New Share	A new share to be issued under the Entitlement Offer.

Term	Meaning
Offer Booklet	This entitlement offer information booklet in relation to the Entitlement Offer.
Offer Price	\$0.70 (70 cents).
Opening Date	The Offer Opening Date referred to in the 'Key details' section of this Offer Booklet.
Placement	The placement of Shares to sophisticated and institutional investors undertaken by the Company to raise approximately \$15 million , approximately \$4.9 million of which completed on 21 December 2020 and approximately \$10.1 million of which (representing the \$10 million investment made by Phillip Asset Management Limited as trustee for BioScience Managers Translation Fund 1, together with an approximately \$0.1 million investment from another institutional investor, both of which are binding commitments) will complete on 24 December 2020.
Record Date	7.00pm (Melbourne time) on Wednesday 16 December 2020.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of a Share.
Share Registry	Automic Pty Ltd.
Shortfall or Shortfall Shares	Those New Shares offered under the Entitlement Offer which are not subscribed for by Eligible Shareholders.
U.S. Person	As defined in Regulation S under the U.S. Securities Act.
U.S. Securities Act	U.S. Securities Act of 1933 (as amended).

Cynata Therapeutics Limited (ASX:CYP)

Directors and Officers

Geoff Brooke
Ross Macdonald
Stewart Washer
Paul Wotton
Darryl Maher

Chief Operating Officer

Killian Kelly

Company Secretary

Peter Webse

Registered Office

Level 3, 62 Lygon Street
Carlton, VIC 3053
Telephone: +61 (0) 412 119 343
www.cynata.com.au

Share Registry

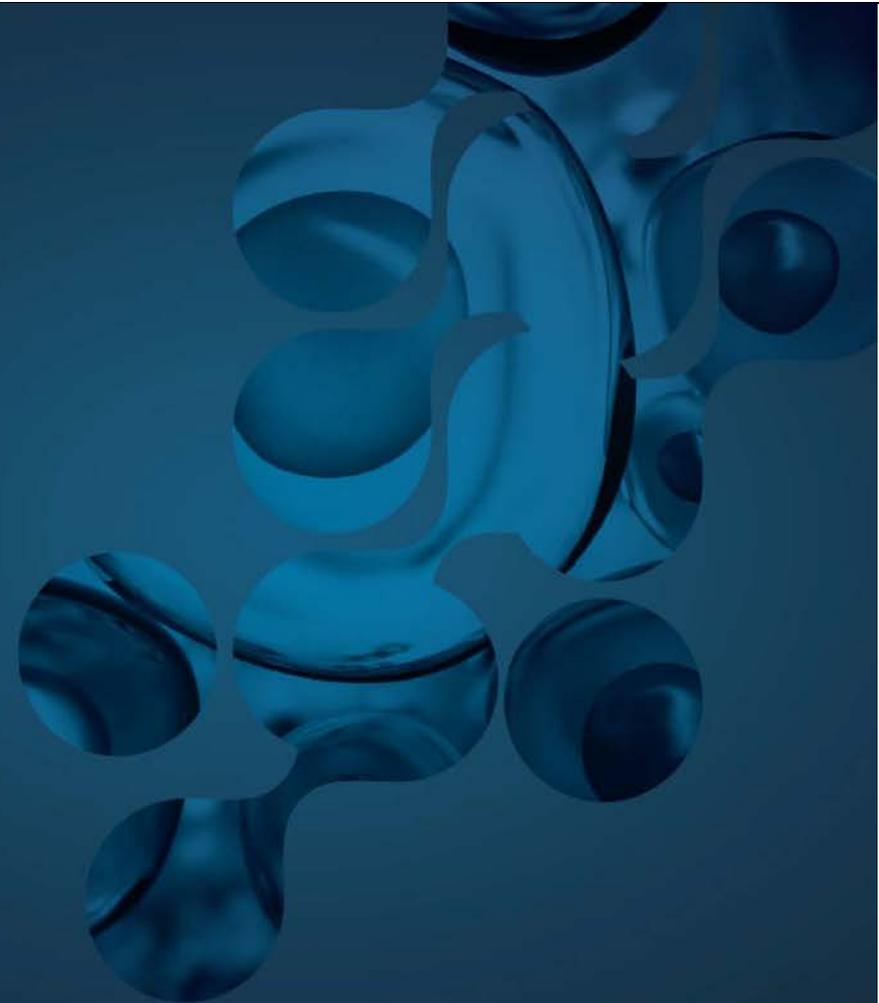
Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000
www.automicgroup.com.au

Telephone: 1300 288 664 or +
612 9698 5414 (outside
Australia)



A Next Generation Stem Cell
Therapeutics Company

Investor Presentation: Cynata Therapeutics Limited
11 December 2020



Important information

This investor presentation (**Presentation**) has been prepared by Cynata Therapeutics Limited (ACN 104 037 372) (**CYP** or the **Company**) and is dated 11 December 2020. This Presentation has been prepared in relation to a 1 for 15 pro-rata entitlement offer (**Entitlement Offer**) of new ordinary fully paid shares in CYP (**New Shares**) in addition to an institutional placement (**Placement**, together the **Capital Raising**). The Placement is to be made under section 708A of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Entitlement Offer is to be made under section 708AA of the *Corporations Act*.

Summary information

This Presentation contains summary information about CYP and its activities which is current only at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in CYP or that would be required in a product disclosure statement prepared in accordance with the requirements of the *Corporations Act*.

CYP's historical information in this Presentation is, or is based upon, information that has been released to the Australian Securities Exchange (**ASX**). This Presentation should be read in conjunction with CYP's other periodic and continuous disclosure information lodged with the ASX, which are available at www.asx.com.au. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither CYP nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

Not an offer

This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with the ASIC) or any other law. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction.

An entitlement offer booklet will be available following its lodgement with ASX (**Offer Booklet**). Any eligible shareholder who wishes to participate in the Entitlement Offer should consider the Offer Booklet in deciding whether to apply under that offer.

The release, publication or distribution of this Presentation (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Presentation, you should observe such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

This Presentation has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this Presentation have not been, and will not be, registered under the US Securities Act of 1933 and may not be

offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Not investment advice

This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation by CYP or its advisers to acquire entitlements or New Shares and does not and will not form any part of any contract for the acquisition of entitlements or New Shares. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of CYP and the impact that different future outcomes may have on CYP.

This Presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. CYP is not licensed to provide financial product advice in respect of CYP shares.

Cooling off rights do not apply to the acquisition of New Shares offered under the Capital Raising.

Investment risk

An investment in CYP shares is subject to known and unknown risks, some of which are beyond the control of CYP and its directors. Although there is financial information in this Presentation, that information (as noted in the 'Financial data' section of this important notice and disclaimer below) is for illustrative purposes only and CYP does not guarantee any particular rate of return or the performance of CYP. CYP does not guarantee any particular tax treatment (including in relation to the Capital Raising) and the information regarding tax in this Presentation and the Offer Booklet is not advice. Investors should have regard to the risk factors outlined in the 'Key risks' section of this Presentation when making their investment decision.

Financial data

All financial information in this Presentation is in Australian currency (A\$) unless otherwise stated.

Investors should note that this Presentation contains pro forma historical financial information based on the Company's results for the financial year ending 30 June 2020. This information is disclosed in the Company's Annual Report lodged with ASX on 25 August 2020.

The financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of CYP's views on its future financial condition and/or performance.

The financial information contained in this Presentation has not been audited or reviewed in accordance with the Australian Accounting Standards.

Important information

Future performance and forward-looking statements

This Presentation contains certain 'forward looking statements', including but not limited to projections, guidance on future revenues, earnings, margin improvement, other potential synergies and estimates, the timing and outcome of the acquisition, the outcome and effects of the Capital Raising and the use of proceeds, and the future performance of CYP. Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'potential' and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, statements relating to the impact of the acquisition, the future performance and financial position of CYP, estimated net synergies after the acquisition, the outcome and effects of the Capital Raising and the use of proceeds. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements.

The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of CYP, its directors and management, and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. Refer to the 'Key risks' section of this Presentation for a summary of certain general, CYP specific and acquisition specific risk factors that may affect CYP. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Presentation. The forward looking statements are based on information available to CYP as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), CYP and its directors, officers, employees, advisers, agents and intermediaries undertake no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation (including in charts, graphs or tables in the Presentation) are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Past performance

Investors should note that past performance, including past share price performance of CYP is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future CYP performance including future share price performance.

Disclaimer

Neither CYP's respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and, for the avoidance of doubt, and except to the extent referred to in this Presentation, none of them makes or purports to make any statements in this Presentation and there is no statement in this Presentation which is based on any statement by any of them.

To the maximum extent permitted by law, CYP and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents exclude and disclaim all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Capital Raising and the information in the Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

To the maximum extent permitted by law, CYP and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation.

Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice.

You acknowledge and agree that:

- determination of eligibility of investors for the purposes of participation in the Capital Raising is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of CYP; and
- CYP and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

CYP reserves the right to withdraw, or vary the timetable for the Capital Raising without notice.

By receiving or attending this Presentation, each recipient warrants and represents that it understands the contents of this "Important information and disclaimer", agrees to abide by its terms and conditions, makes the representations and warranties contained in it and acknowledges and agrees that this Presentation must be kept private and confidential.

Executive summary

 <p>Next generation stem cell company</p>	<ul style="list-style-type: none"> • Clinical stage therapeutic mesenchymal stem cell (MSC) pipeline: osteoarthritis, COVID-19 (respiratory distress) and, via licensee FUJIFILM, graft-versus-host disease (GvHD) • Multiple additional value creation pathways through expanding the clinical development pipeline
 <p>Highly scalable and validated platform</p>	<ul style="list-style-type: none"> • Cynata's proprietary, patented Cymerus™ platform technology enables commercially scalable production of MSCs from a single donation - overcoming multiple issues with existing manufacturing solutions • Compelling GvHD clinical trial results places Cynata in a strong position to accelerate clinical development, enabling other indications to progress directly to Phase 2 / 3 clinical trials (i.e. bypass Phase 1 studies)
 <p>Expanding pipeline</p>	<ul style="list-style-type: none"> • Opportunity to expand the clinical development to include target indications: critical limb ischemia (CLI); idiopathic pulmonary fibrosis (IPF); renal transplantation; and diabetic foot ulcers (DFU)
 <p>Exciting outlook with potential upside</p>	<ul style="list-style-type: none"> • Multiple upcoming catalysts including clinical development milestones in active and planned trials, potential milestone payments and royalties from the FUJIFILM license in GvHD and other potential strategic collaborations
 <p>Capital Raising</p>	<ul style="list-style-type: none"> • Capital raising of up to approximately A\$20.5m via an Institutional Placement (A\$15.0m) and a 1 for 15 Non-Renounceable Entitlement Offer (up to A\$5.5m) at an offer price of A\$0.70 per New Share • Proceeds raised will primarily be used to expand the clinical development pipeline (incl. additional Phase 2 trials) and optimising manufacturing capabilities to enhance scale-up efficiencies for commercialisation



Company overview

Cynata Therapeutics is a clinical stage biotech company with a highly scalable, proprietary platform for developing stem cell therapeutics

About Cynata Therapeutics

- **Our focus: Utilise our proprietary Cymerus™ platform technology to develop commercially scalable mesenchymal stem cell (MSC) therapeutic products to treat serious disorders**
- Stem cell and regenerative medicine company developing technology from the University of Wisconsin-Madison, USA
- First product, CYP-001, licensed to Fujifilm for graft-versus-host-disease
- Multiple further possible license transactions
- Cymerus technology addresses a critical shortcoming in existing methods of production of mesenchymal stem cells (MSCs) for therapeutic use, which is the ability to achieve economic manufacture at commercial scale

Board and Management



Dr Geoff Brooke
Chairman



Dr Paul Wotton
Non-Exec Director



Dr Ross Macdonald
Managing Director / CEO



Dr Darryl Maher
Non-Exec Director



Dr Stewart Washer
Non-Exec Director



Dr Kilian Kelly
Chief Operating Officer



1. Cash as at 30 September 2020 (excludes the proceeds of the capital raising)

Financial information

Share price (8-Dec-20) A\$0.785

Shares on issue 117m

Market capitalisation A\$91.9m

Cash¹ A\$12.3m

Debt -

Enterprise value A\$79.6m

Top Shareholders



9.9%

FUJIFILM

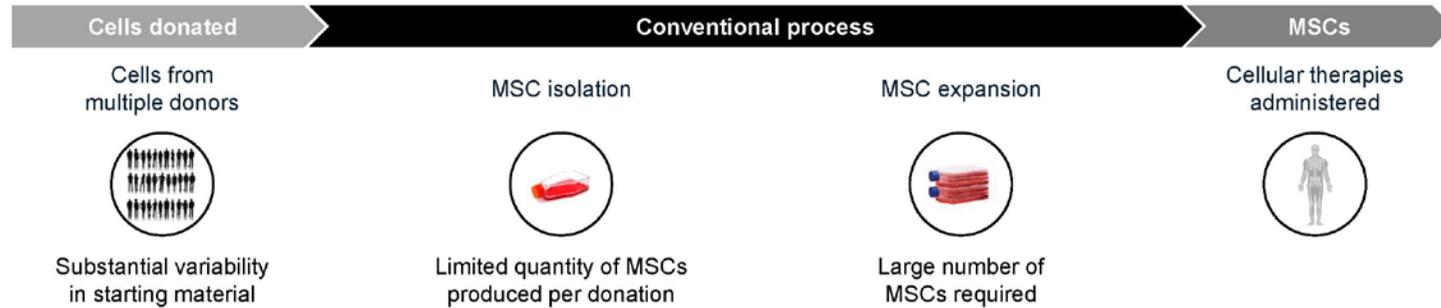
6.9%

Board and management

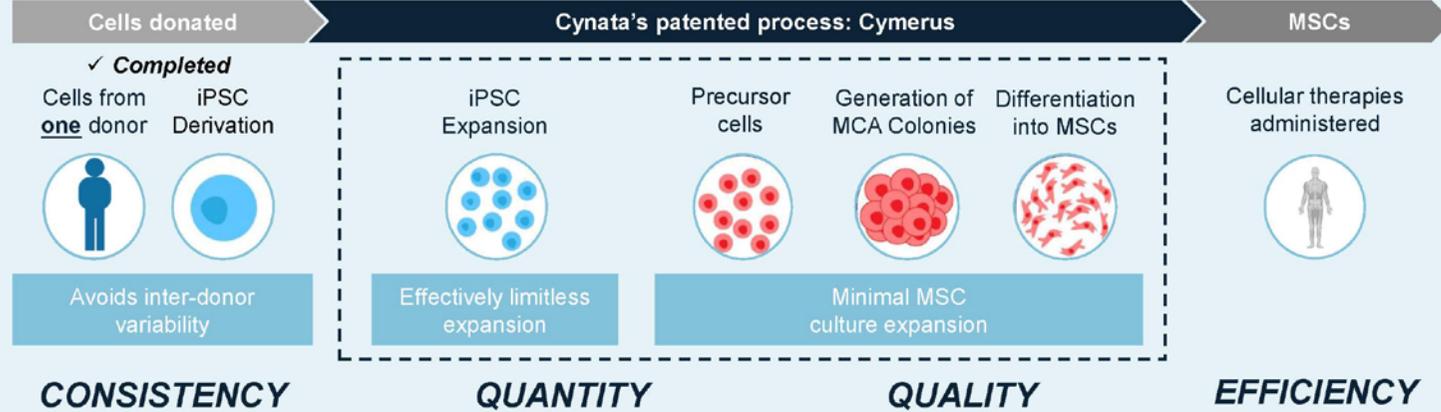
5.8%

Conventional vs. Cynata's Cymerus MSC manufacturing process

The current conventional manufacturing process is *sub optimal*



Cynata's Cymerus iPSC-derived process *optimises manufacturing for scalability*



iPSC: Induced Pluripotent Stem Cells. iPSC's derived directly from adult cells and can propagate indefinitely.
MCA: Mesenchymoangioblasts. These are produced from iPSCs.

Commercially viable MSC manufacturing process

Cynata has the only clinical-stage platform capable of producing commercial quantities of MSCs from a single source

	Conventional process	Cymerus	Significance for Cynata
Donors	Continuous supply of new donors required	One donor, one time (completed)	✓ Lower cost; simplified logistics; highly consistent product
Comparability testing	Required every time a new donation is used	N/A	✓ Lower cost, minimised risk ¹
Number of clinical doses per donation	Significantly limited	Effectively limitless	✓ Lower cost; simplified logistics; comparative ease of scalability
Extent of MSC expansion	Higher (>25 population doublings)	Lower (~10 population doublings)	✓ Minimised expansion and low “age” ensures Cynata’s product is consistently highly potent, with potency maintained ²
Cellular “age”	Variable	Low: iPSC-derived MSCs are more primitive	
Infusions per patient ³	8-12	~2	✓ Greater convenience for patients and hospitals; lower costs incurred by healthcare system
Risk of contamination with off-target cell types ⁴	Medium to high, depending on process	Negligible	✓ Lower risk of manufacturing variability and batch failure; significant regulatory benefits

Cynata’s Cymerus produces a consistent and scalable product, with lower cost of goods on a per cell basis and fewer cells required per patient compared to conventional methods



1. MSC product from different donors must be proven to be comparable: highly risky given every donor is different
2. Conventional manufacturing process requires extensive MSC culture expansion. MSCs change when excessively expanded, causing a loss of potency and decreased efficacy
3. Only 2 infusions per patient required in Cynata’s Phase 1 GvHD trial
4. Contamination with off-target cell types – isolation of MSCs in original sample is associated with risk of carry-over of other cell types

FDA focus on manufacturing

Cynata's Cymerus process actively addresses some of the key areas that the FDA is likely to focus on

Potential issues raised

“The issue of reliable prediction of biological activity is particularly challenging for MSCs.

Substantial functional heterogeneity has been observed between MSC batches derived from different donors and expanded using different tissue culture conditions or duration, even though all of these batches meet the ISCT criteria for MSCs.”

- Excerpt from FDA ODAC Briefing document for 13 August 2020

Key advantages underpinning Cymerus

✓ Product derived from a **single donor** provides a **highly consistent product** and addresses regulatory concerns

✓ Effectively limitless iPSC expansion *before* differentiating into MSCs, maintaining potency

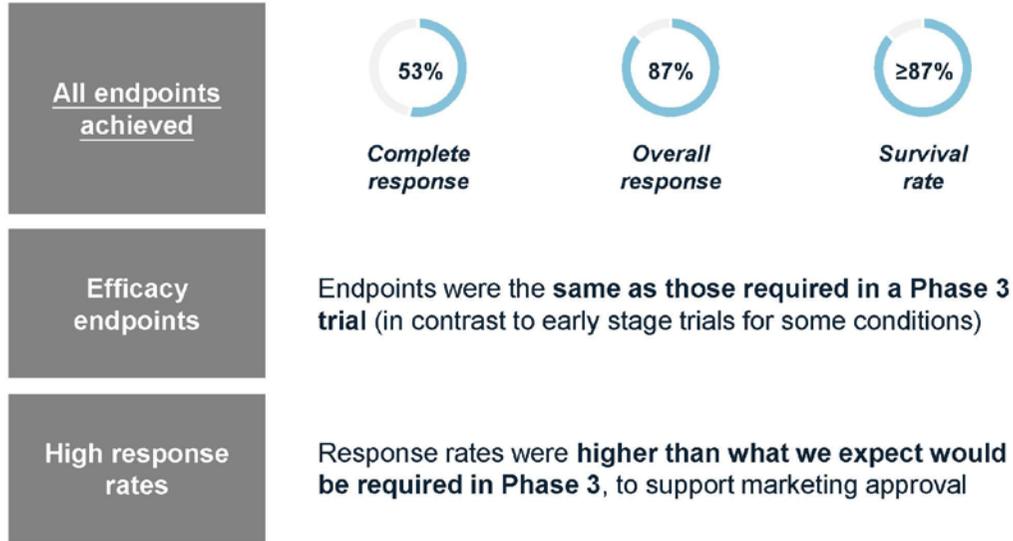
✓ MSCs represent a potential efficacious treatment in GvHD, supporting Cynata's GvHD product CYP-001

✓ FDA advisory meeting observations to be leveraged to optimise future CYP clinical trial design for FDA approval

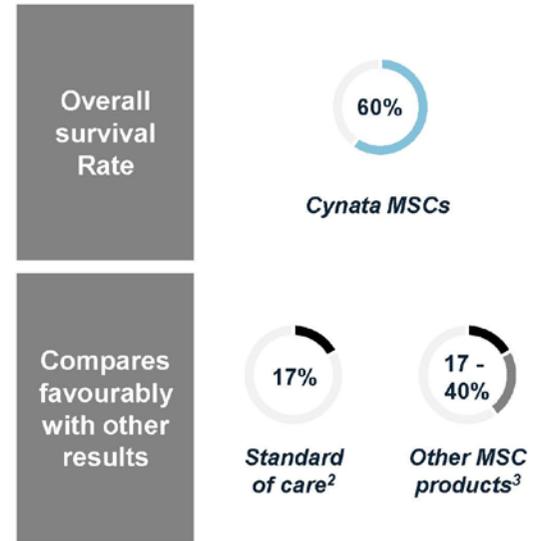
Phase 1 clinical trial results

Excellent results in the world-first allogeneic iPSC-derived therapy trial in steroid-resistant acute graft-versus-host disease (GvHD) places Cynata in a strong position to accelerate clinical development

Key clinical trial results¹ - demonstrating efficacy of our technology



Two year follow-up



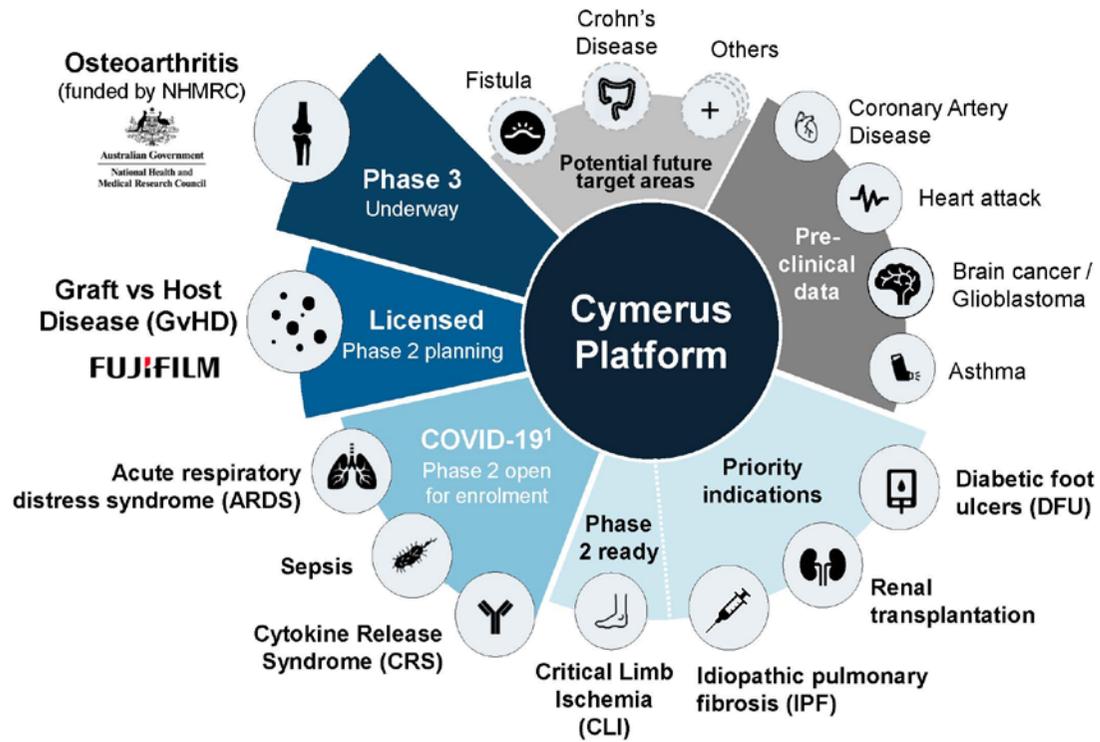
Excellent safety results facilitate Cynata progressing directly to phase 2 clinical trials in multiple other indications



1. Primary evaluation at Day 100
 2. Westin JR, et al. Steroid-Refractory Acute GVHD: Predictors and Outcomes. *Adv Hematol.* 2011; 2011:601953;
 3. Elgaz, S. et al. Clinical Use of Mesenchymal Stromal Cells in the Treatment of Acute Graft-versus-Host Disease. *Transfus Med Hemother.* 46:27-34 (2019).

Cymerus platform

Cynata's Cymerus platform has potential applications across a wide range of diseases



1. Investigating efficacy in patients admitted to ICU, commonly experiencing ARDS, sepsis and CRS

Multiple options to create shareholder value

Cynata is executing on a clear scientific and commercial vision and continually assesses pathways to optimise shareholder value



Build value in platform independently

Clinical trials – funded by Cynata, grants or collaborations, such as osteoarthritis and COVID-19 trials and advancing pre-clinical development programs

License / partner with big Pharma

License specific indications for development and commercialisation, such as GvHD (FUJIFILM); in regular discussions with other parties across a range of indications

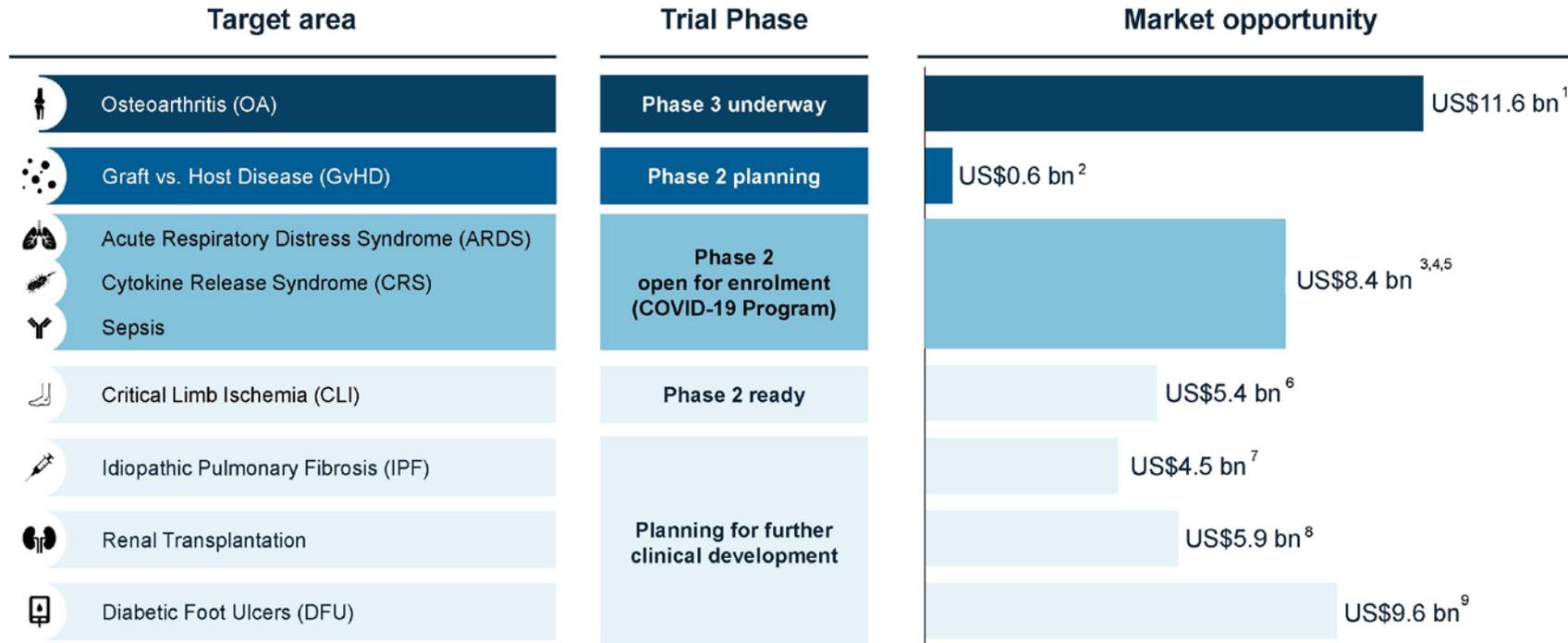
Strategic exit / merger

Monetisation via a strategic acquirer (e.g. big Pharma); interest demonstrated by previously announced proposal



Significant market opportunities

Cynata is targeting attractive market opportunities across a range of target indications



1. Persistence Market Research 2018 research report: "Osteoarthritis Treatment Market: Global Industry Analysis (2012-2016) and Forecast (2017-2025) (Reflect OA market by 2025); 2. Global Graft versus Host Disease Market 2019-2029 (Reflects forecast market in 2026). 3. Vasomune Therapeutics company announcement, 2018 (Reflects ARDS global market opportunity of US\$2.5bn) 4. GlobeNewswire, 2020 (Represents CRS global market opportunity of US\$0.16m in 2017) 5. GlobalData 2017 (Reflects Sepsis global market opportunity of US\$5.9bn in 2026). 6. Zion Market Research, 2019 (represents global treatment market in 2025); 7. iHealthcareAnalyst Inc, 2019 (represents global market by 2025); 8. Organ Transplant Immunosuppressant Drugs Market in 2026, Grand View Research, Inc., 2019; 9. Transparency Market Research, 2020 (Reflect global DFU treatment market by 2027).

Expanding clinical development pipeline

	 Idiopathic pulmonary fibrosis	 Renal transplantation	 Diabetic foot ulcer
 Disease description	<ul style="list-style-type: none"> • Incurable disease of unknown cause, which results in extensive scarring / fibrosis of the lungs • Lung damage is often advanced when first diagnosed and invariably progresses to respiratory failure with only 20-30% of patients surviving 5 years from diagnosis¹ 	<ul style="list-style-type: none"> • Treatment for end-stage kidney disease, where the kidneys are no longer able to function and a transplant is required to eliminate patient' reliance on dialysis 	<ul style="list-style-type: none"> • Sores on the feet of patients with diabetes that occur in around 15-25% of patients sometime during their lifetime² • Associated with significant morbidity and mortality and can lead to hospitalisation and lower limb amputation if not treated in a timely manner
 Rationale for selection	<ul style="list-style-type: none"> • High unmet medical need; existing treatments have limited effects on disease progression or survival rates ✓ Studies conducted in preclinical rodent models of IPF demonstrated efficacy of Cymerus MSCs, based on statistically significant improvements in multiple clinically relevant outcome measures, including levels of fibrosis, inflammation, dynamic lung compliance and airway resistance 	<ul style="list-style-type: none"> • Current treatments (lifelong immunosuppression) are associated with significant morbidity ✓ Cymerus MSC treatment in a preclinical transplant model demonstrated immunoregulatory effects expected to prevent or reduce organ transplant rejection 	<ul style="list-style-type: none"> • Among the most common and serious complications of patients who have diabetes ✓ Cymerus MSCs achieved encouraging efficacy results in a preclinical model of diabetic ulcers
 Next steps	<ul style="list-style-type: none"> • Preparation for clinical development programs underway • Key elements include: Trial design; Regulatory consultation; Endpoint selection; KOL appointment; Site selection 		



1. Ley B, et al. Clinical course and prediction of survival in idiopathic pulmonary fibrosis. Am J Repris Crit Care Med. 2011;183(4):431-40.<https://www.ihealthcareanalyst.com/report/idiopathic-pulmonary-fibrosis-treatment-market/>
2. Mutluoglu M, Uzun G, Turhan V, Gorenek L, Ay H, Lipsky BA. How reliable are cultures of specimens from superficial swabs compared with those of deep tissue in patients with diabetic foot ulcers? J Diabetes Complications. 2012 May-Jun;26(3):225-9

Critical Limb Ischaemia (CLI) trial

Phase 2 ready trial with regulatory and ethics approval received

 CLI	<ul style="list-style-type: none">• MSC therapy for critical limb ischemia patients who are ineligible for revascularization, to promote angiogenesis and reduce inflammation
 Rationale for selection	<ul style="list-style-type: none">• Cymerus preclinical studies were impressive; animals treated with Cymerus MSCs experienced improved blood flow and faster blood flow recovery when compared to the control group treated with saline• Development timeline is relatively rapid
 Study design	<ul style="list-style-type: none">• Cynata anticipates conducting the clinical trial at multiple centres in the UK and Australia• The planned trial aims to recruit 90 patients with Rutherford Classification 5 CLI¹, randomised to one of 3 groups (low dose MSCs; high dose MSCs; placebo)• Primary endpoint is improvement in Rutherford Classification at 12 months• Secondary endpoints include amputation-free survival, ankle-brachial index, wound healing, pain and quality of life (reviewed over 6-24 months)
 Key milestones	<ul style="list-style-type: none">✓ Regulatory and Ethics approvals received in Australia and UK• Trial timing uncertain due to continued impact on recruitment due to COVID-19; trial is being assessed as part of broader clinical development strategy



1. The Rutherford Classification is a well-established 6-point scale to grade the extent of peripheral artery disease. Grades 4-6 constitute CLI.

COVID-19 Phase 2 trial open for enrolment

MEseNchymal covid-19 Trial (MEND); a Phase 2 Program in COVID-19 and related respiratory diseases

 Target population	<ul style="list-style-type: none">• 24 adult patients with COVID-19 admitted to intensive care with compromised lung function, which can ultimately progress to ARDS
 Rationale for selection	<ul style="list-style-type: none">• Respiratory distress (and CRS and sepsis) represent significant unmet needs as consequence of a severe COVID-19 infection, as well as other causes beyond COVID-19• Strong pre-clinical results in indications that can arise from a severe case of COVID-19• Marked public health interest, allowing accelerated program planning and approval
 Study design	<ul style="list-style-type: none">• In collaboration with CPA Research Institute¹ and COVID-19 Stem Cell Treatment Group• Open-label, randomised controlled clinical trial based in NSW, Australia• Twelve patients randomised to receive Cymerus MSC infusions in addition to standard care; twelve patients randomised as the control group, to receive current standard of care• Primary endpoints: an improvement in PaO₂/FiO₂ ratio, and safety & tolerability
 Key milestones	<ul style="list-style-type: none">✓ Ethics approval obtained✓ Patient enrolment open• Cynata assessing opportunities to accelerate recruitment



1. CPA = Cerebral Palsy Alliance

GvHD Clinical and Commercial Program led by FUJIFILM

Global licensee FUJIFILM responsible for further development & commercialisation of Cymerus MSCs as a treatment for steroid resistant acute GvHD

 GvHD	<ul style="list-style-type: none">GvHD is a complication that can occur after bone marrow transplant when the donor's immune cells (the 'graft') attacks the recipient (the 'host')
 Rationale for selection	<ul style="list-style-type: none">Prognosis of patients is poor, with mortality rates in excess of 90%¹Excellent Phase 1 efficacy endpoints results - which are the same endpoints required in a Phase 3 trial
 FUJIFILM	<ul style="list-style-type: none">FUJIFILM endorsement with a global GvHD licenseAll further development and commercialisation costs met by FUJIFILM
 Key milestones	<ul style="list-style-type: none">Further clinical trials in GvHD led by FUJIFILMMultiple cash flow events in relation to FUJIFILM license:<ul style="list-style-type: none">✓ A\$4m equity @ 35% premium✓ US\$3m upfront licence fee<ul style="list-style-type: none">A\$2.86m on completion of Phase 2 trial²A\$100m+ in potential milestone payments and royalties²Ongoing relationship with potential for further commercial agreementsFUJIFILM transaction provides validation of Cymerus and supports the licensing of additional target areas



1. Westin JR, Saliba RM, De Lima M, et al. Steroid-Refractory Acute GvHD: Predictors and Outcomes. Adv Hematol. 2011; 2011:601953.
2. US\$1.00 = AUD\$1.40

Development pipeline

Broad, advanced development pipeline with multiple near-term catalysts

	Pre-clinical	Phase 1	Phase 2	Phase 3	Key catalysts
GvHD	FUJIFILM				Fujifilm responsible for all updates and ongoing development via global license agreement US\$2m milestone payment on Phase 2 completion
OA		Successful safety results from Phase 1 GvHD trial enables other indications to bypass Phase 1	Accelerated to Phase 3 based on study parameters		440-patient trial funded by NHMRC currently underway
COVID-19 Program	Compelling pre-clinical data in ARDS, sepsis, CRS				Trial is open for patient recruitment
CLI					Phase 2 ready, with regulatory and ethics approval received ¹
IPF					Expanding clinical development pipeline, with clinical trial planning underway
Renal transplant ²					
Diabetic Foot ulcers					Broad pre-clinical study results provide multiple opportunities for additional trials / partnering
Pre-clinical	Coronary artery disease; heart attack, asthma, cancer, other				



1. Trial timing uncertain due to continued impact on recruitment due to COVID-19, and being assessed as part of broader clinical development strategy
2. Preclinical model of organ transplant rejection complete

Investment summary

	<p>Scalable technology</p>	<ul style="list-style-type: none"> Patented Cymerus platform technology enables commercial-scale production of mesenchymal stem cells from a single donor, overcoming multiple issues with today's on-market solutions Value of platform to a range of diseases demonstrated across clinical and pre-clinical studies
	<p>Successful clinical trial results</p>	<ul style="list-style-type: none"> All clinical endpoints achieved in Phase 1 trial of Cymerus MSCs in acute GvHD, with no safety concerns identified and highly encouraging efficacy Endorsement by FUJIFILM via licence for GvHD supports further development of Cynata's products in other indications
	<p>Broad and attractive pipeline</p>	<ul style="list-style-type: none"> Phase 3 osteoarthritis trial (funded by NHMRC) is underway and Phase 2 trial in COVID-19 patients open for recruitment Preparations to commence further clinical trial in GvHD (via FUJIFILM license) and a Phase 2 trial in CLI; planning for clinical trial programs in idiopathic pulmonary fibrosis (IPF), Renal transplantation, and diabetic foot ulcers (DFU) Compelling pre-clinical data in other high-value target areas supports further clinical trials
	<p>Significant growth potential</p>	<ul style="list-style-type: none"> Targeting significant commercial opportunities; global market opportunity in osteoarthritis alone is US\$11.6bn FUJIFILM license granted on attractive terms, including A\$100m+ in milestone payments and royalties on product sales; and FUJIFILM responsible for further product development and commercialisation in GvHD
	<p>Well positioned in regenerative medicine</p>	<ul style="list-style-type: none"> Cell therapeutics is an area of increasing interest from major pharmaceutical companies globally Cynata's unique Cymerus technology ideally placed to solve current MSC manufacturing challenges





Capital raising details



Capital raising overview

Cynata is seeking to raise up to approximately A\$20.5m via a Placement and Entitlement Offer

Offer Structure	<ul style="list-style-type: none">• Institutional placement to raise ~A\$15.0m through the issue of 21,440,295 New Shares (Placement)• 1 for 15, non-renounceable pro rata entitlement offer to raise up to approximately A\$5.5m through the issue of up to 7,808,267 new shares New Shares (Entitlement Offer)• The Placement and Entitlement Offer are not underwritten
Offer Pricing	<ul style="list-style-type: none">• Placement offer price of A\$0.70 per New Share, which represents:<ul style="list-style-type: none">– A discount of 10.8% to the last close of A\$0.785 per share on 8 December 2020– A discount of 9.6% to the 5-day VWAP of A\$0.774 per share to 8 December 2020• Entitlement Offer at the same offer price as the Placement
Entitlement Offer	<ul style="list-style-type: none">• Record date of Wednesday, 16 December 2020• Placement shares are not eligible to participate in the Entitlement Offer• Eligible shareholders may apply for New Shares in excess of their entitlement under a shortfall facility
Ranking	<ul style="list-style-type: none">• New Shares under the Placement and Entitlement Offer will rank pari passu with existing ordinary shares
Use of funds	<ul style="list-style-type: none">• Expand clinical development pipeline: Pursue Cynata funded Phase 2 clinical trials in attractive indications. High priority targets include idiopathic pulmonary fibrosis (IPF), renal transplantation, and diabetic foot ulcers (DFU).• Process development and commercialisation: Optimise manufacturing capabilities to enhance scale-up efficiencies and progress Cynata's US regulatory strategy, to place the Company in a strong position to commercialise its MSC products.• Other: Additional headcount, general working capital, corporate costs etc.

Timetable

Indicative capital raising timetable ¹	Date
Announcement of the Capital Raising and trading halt lifted – shares recommence trading on ASX	Friday, 11 December 2020
Record date for Entitlement Offer	Wednesday, 16 December 2020
Settlement of Placement	Friday, 18 December 2020
Allotment and commencement of trading of New Shares under the Placement	Monday, 21 December 2020
Despatch of Offer Booklet and Entitlement Offer opens	Monday, 21 December 2020
Entitlement Offer closes	Wednesday, 13 January 2021
Announcement of Entitlement Offer results	Monday, 18 January 2021
New Shares issued under the Entitlement Offer	Wednesday, 20 January 2021
Commencement of trading of New Shares issued under the Entitlement Offer	Thursday, 21 January 2021



Note: 1. The timetable is indicative only and is subject to change

Risks

This section discusses some of the key risks associated with any investment in Cynata together with risks relating to participation in the Placement and Entitlement Offer which may affect the future operating and financial performance of Cynata and the value of Cynata shares. The risks set out below do not constitute an exhaustive list of all risks involved with an investment in Cynata.

Cynata seeks to reduce risk to its business through appropriate risk mitigants, however, if any of the following risks materialise, business, financial condition and operating results are likely to be adversely impacted.

Before investing in Cynata, you should carefully consider whether this investment is suitable for you. Potential investors should consider publicly available information on Cynata (such as that available on the ASX website), and consider consulting a stockbroker, legal advisor, accountant or other professional advisors before making an investment decision.

Risk	Description
COVID-19 and global health risks	Global health risks or the potential for these events could have a negative impact on the Company. Since early 2020 the coronavirus pandemic, now known as COVID-19, has spread rapidly to many countries globally. The impact of COVID-19 has led to the adoption of extreme preventative measures by governments and other authorities, including the imposition of limits on public gatherings, restrictions on travel, the closure of borders, requirements for self-isolation, restriction of access to services and the closure of stores and businesses, including in Australia. Given the high degree of uncertainty surrounding the extent and duration of COVID-19 it is not possible to assess the impact of COVID-19 on the Company's business. These events have had and can be expected to continue to precipitate sudden significant changes and volatility in regional and global economic conditions and financial markets. If there is a significant increase in the number of COVID-19 cases, this may burden hospitals and healthcare institutions to the extent that all non-urgent medical procedures, including clinical trials, may be cancelled or postponed indefinitely. This may impact the ability of the Company to progress the phases of their clinical trials. As a result, the operations of the Company may be significantly adversely affected by such events.
Clinical development risk	The nature of clinical drug development is inherently risky, with many drug candidates failing to be successfully developed into marketable products. The Company is positioning its drug candidates for clinical trialling. Clinical trials have many associated risks which may impact commercial potential and therefore future profitability. Such trials may fail to recruit patients, be terminated for safety reasons, or fail to be completed within acceptable timeframes as a result of delay. Clinical trialling may reveal drug candidates to be unsafe, poorly tolerated or non-effective. Any of these outcomes will likely have a significant adverse effect on the Company, the value of its securities and the future commercial development of its drug candidates. Clinical trials might also potentially expose the Company to product liability claims in the event its products in development have unexpected effects on clinical subjects.
Regulatory and reimbursement approvals	The research, development, manufacture, marketing and sale of products developed by the Company are subject to varying degrees of regulation by a number of government authorities and institutional bodies (e.g. ethics committees) in Australia and overseas. Pharmaceutical products must undergo a comprehensive and highly regulated development and review process before receiving approval for marketing. The process includes a requirement for approval to conduct clinical trials, and the provision of data relating to the quality, safety and efficacy of the products for their proposed use. There is no guarantee that regulatory approvals to conduct clinical trials and/or to manufacture and market the Company's products will be granted. Products may also be submitted for cost reimbursement approval to relevant agencies. The availability and timing of that reimbursement approval may have an impact upon the uptake and profitability of products in some jurisdictions. There is no guarantee that such approvals will be granted.
Risks associated with partnership model	The Company is pursuing a license partnership model, which typically involves entering into commercial arrangements with other companies by which Cynata licenses its Cymerus technology to the partner in one or more indications and/or geographies and the partner assumes responsibility for progressing, and paying for, the clinical trials and eventual commercialisation in that indication. This strategy involves the risk that the Company will lose control of the development timetable of its products to its commercial partner, which may give rise to an unanticipated delay in any commercial returns. Further, the Company may be unable to enter into arrangements with suitable commercial partners in respect of relevant indications. If either of these outcomes occurred, the Company's business and operations may be adversely affected.



Risks

Risk	Description
Competition and regulation	The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant change. A number of companies, both in Australia and abroad, may be pursuing the development of products that target the same markets and/or diseases that the Company is targeting. The Company's products may compete with existing products that are already available to customers. The Company may face competition from parties who have substantially greater resources than the Company. Competing products may be superior to the Company's products in terms of any or all of price, convenience, safety or efficacy, which would adversely impact the commercial viability of the Company's products.
Dependence upon key personnel	The Company depends on the talent and experience of its personnel as an important asset. There may be a negative impact on the Company if any of its key personnel leave. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, any key personnel of the Company who leave to work for a competitor may adversely impact the Company. In summary, the Company's ability to attract and retain personnel will have a direct impact on its ability to deliver its project commitments. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of the Company.
Research & Development (R&D) Tax Rebate	The Company is currently entitled to receive an R&D rebate on part of its expenditure in research and development. There is a risk that the Australian Government may make material changes to the rebate scheme, which may adversely impact the funding available to the Company to fund its operations.
Intellectual property	The Company's ability to commercialise products depends substantially upon its ability to protect its intellectual property and any improvements to it. The intellectual property may not be capable of being legally protected, it may be the subject of unauthorised disclosure or be unlawfully infringed, or the Company may incur substantial costs in asserting or defending its intellectual property rights.
Revenues and profitability	The Company does not currently generate revenue from product sales nor are revenues anticipated in the short to medium term, and continues to incur significant research and development and other expenses related to its ongoing operations. The Company's ability to achieve both revenues and profitability is dependent on a number of factors, including its ability to execute on its business strategy, complete successful clinical trials, obtain regulatory approval for its products and successfully commercialise those products. There is no guarantee that the Company's products will be commercially successful.
Manufacturing risk	The Company's products are manufactured using a unique, novel and highly specialised manufacturing process. The Company relies on supply and manufacturing relationships with third party contract manufacturing organisations to manufacture its products. An inability of these third party contract manufacturing organisations to continue to manufacture the Company's products in a timely, economical and/or consistent manner, including any scale up of manufacturing processes, or to maintain legally compliant manufacturing to maintain product supply, could adversely impact on the progress of the Company's development programs and potentially on the financial performance of the Company.



Risks

Risk	Description
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business and production activities, as well as on its ability to fund those activities.
Market conditions	Share market conditions may affect the value of the Company's quoted shares (and options to acquire quoted shares) regardless of the Company's operating performance. Share market conditions are affected by many factors such as: <ul style="list-style-type: none"> a) general economic outlook; b) introduction of tax reform or other new legislation; c) interest rates and inflation rates; d) changes in investor sentiment toward particular market sectors; e) the demand for, and supply of, capital; and f) terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and pharmaceutical stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.
Litigation	There is a risk that the Company may in future be the subject of or required to commence litigation. There is, however, no litigation, mediation, conciliation or administrative proceeding taking place, pending or threatened against the Company.
Tax risks	Changes to the rate of taxes imposed on the Company (including in overseas jurisdictions in which the Company operates now or in the future) or tax legislation generally may affect the Company and its shareholders. In addition, an interpretation of Australian tax laws by the Australian Taxation Office that differs to the Company's interpretation may lead to an increase in the Company's tax liabilities and a reduction in shareholder returns. Personal tax liabilities are the responsibility of each individual investor. The Company is not responsible either for tax or tax penalties incurred by investors.
Additional requirements for capital	The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Capital Raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, its production levels, or scale back its research and development and/or clinical trials as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

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

Cynata Therapeutics Limited

Level 3
62 Lygon Street
Carlton
Victoria 3053
Australia

Contact details:

 ross.macdonald@cynata.com

 www.cynata.com



INSTRUCTIONS FOR COMPLETION OF THIS FORM

ACCEPTANCE OF OFFER

By making a BPAY® or EFT payment:

- you represent and warrant that you have read and understood the Offer Booklet and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form; and
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of the Company.

1 Acceptance of Full or Partial Entitlement for New Shares

If you wish to accept less than your Full Entitlement, enter the number of New Shares you wish to accept and calculate the Payment Amount by multiplying the number of New Shares by \$0.70. No fractional New Shares will be allotted, therefore if the dollar amount paid divided by the Offer Price is a fraction of a New Share, the number of New Shares allotted will be rounded down.

2 Application for Additional New Shares under the Shortfall Facility

You can only apply for Additional New Shares if you have applied for your Full Entitlement in section 1. To calculate the Payment Amount for the Additional New Shares you wish to apply for, multiply the number of Additional New Shares by \$0.70. No fractional Shares will be allotted, therefore if the dollar amount paid divided by the Offer Price is a fraction of a New Share, the number of New Shares allotted will be rounded down. The Directors reserve full discretion on the allocation of Additional New Shares under the Shortfall Facility. Refer to section 1.5 of the Offer Booklet for further details.

There is no minimum or maximum number of Additional New Shares that you can apply for under the Shortfall Facility.

3 Payment

Add the total Payment Amounts you wish to pay from Sections 1 and 2 and make your payment of the total by BPAY® or EFT. You can only make a payment via:

- (a) BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions; or
- (b) EFT if you are a holder of an account that supports EFT transactions to an Australian bank account.

Please note that should you choose to pay by BPAY® or EFT:

- (c) you must quote your reference number quoted on the front of this form;
- (d) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (e) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies;
- (f) if you pay for more than your full Entitlement, you are deemed to have applied for such whole number of Additional New Shares which is covered in full by your Application Monies paid in excess of your full Entitlement; and
- (g) if you have multiple holdings you will have multiple unique reference numbers. To ensure that you receive your Entitlement in respect of each holding, you must use the unique reference number shown on each personalised Entitlement & Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be refunded to the Applicant without interest

It is your responsibility to ensure that your BPAY® payment or payment by EFT is received by the Share Registry by no later than 5.00pm (Melbourne time) on the Closing Date. You should be aware that your financial institution may implement earlier cut off times with regards to electronic payment and may charge fees associated with processing an EFT and you should therefore take this into consideration when making payment.

3 Electronic Communications

As a valued shareholder in Cynata Therapeutics Limited, you can help minimise the costs of printing and mailing by electing to receive all shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way. Please enter your details below and return this form to our Share Registry by email to hello@automicgroup.com.au. Please include a contact number we may reach you on between the hours of 8.30am and 5.00pm (Melbourne time).

Telephone Number ()	Contact Name (PLEASE PRINT)	CYP-[HolderId]
Email Address		

If you require further information about the Rights Issue, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 8.30am and 5.00pm Melbourne time).