

Successful Completion of Entitlement Offer and Shortfall Placement

Melbourne, Australia; 18 January 2021: Cynata Therapeutics Limited (ASX: “CYP”, “Cynata”, or the “Company”), a clinical-stage biotechnology company specialising in cell therapeutics, is pleased to announce the successful completion of its 1 for 15 non-renounceable pro rata entitlement offer (**Entitlement Offer**) and partial placement of shortfall shares (**Shortfall Placement**).

Key highlights

- Cynata has successfully raised a further A\$2.5m under the Entitlement Offer
- In addition, Cynata successfully placed ~A\$0.8m under the Shortfall Placement
- Completion of the Entitlement Offer, Shortfall Placement and the recent institutional placement in December 2020 results in total gross proceeds raised of ~A\$18.3m
- Funds raised will be used to expand Cynata’s clinical development pipeline, optimise manufacturing capabilities and progress regulatory strategy

Following the successful completion of the A\$15m placement announced on 11 December 2020 (**Institutional Placement**), existing shareholders had the opportunity to participate in an Entitlement Offer at an issue price of A\$0.70 per share (**Offer Price**), the same price as the Institutional Placement.

The Entitlement Offer closed on Wednesday, 13 January 2021, and raised gross proceeds of ~A\$2.5m (before transaction costs) with ~3.55m fully paid ordinary shares to be issued. The Entitlement Offer was supported with ~A\$1.5m received from eligible shareholders for their entitlement and an additional ~A\$1.0m under the oversubscription facility.

In addition to the Entitlement Offer, the Company successfully placed a further ~1.15m fully paid ordinary shares to professional and sophisticated investors at the Offer Price to raise ~A\$0.8m (before transaction costs) under the Shortfall Placement. Following the Shortfall Placement, Cynata confirms that it will not seek to place any of the balance of the shortfall of the Entitlement Offer.

Following the completion of the Institutional Placement, Entitlement Offer and Shortfall Placement, Cynata has raised gross proceeds of ~A\$18.3m (before transaction costs). The funds will be used to expand Cynata’s clinical development pipeline, optimise and expand manufacturing capabilities to enhance scale-up efficiencies, progress US regulatory strategy for commercialisation and general working capital purposes.

New shares to be issued under the Entitlement Offer and Shortfall Placement are expected to be issued on Wednesday, 20 January 2021 and commence trading on Thursday, 21 January 2021.

Dr. Ross Macdonald, Cynata’s CEO and MD said:

“On behalf of the Cynata Board, we would like to thank all shareholders for the highly encouraging and ongoing support. The Company is now well capitalised to significantly expand its exciting clinical development pipeline. We look forward to initiating studies in highly attractive indications to deliver shareholder value underpinned by our Cymerus™ platform technology.”

-ENDS-

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

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About Cynata Therapeutics (ASX: CYP)

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

Cynata's lead product candidate CYP-001 met all clinical endpoints and demonstrated positive safety and efficacy data for the treatment of steroid-resistant acute graft-versus-host disease (GvHD) in a Phase 1 trial. Cynata has active clinical trials, using its Cymerus™ MSCs for a Phase 3 trial in osteoarthritis and a Phase 2 trial in severe complications arising from COVID-19. Cynata plans to advance into trials for GvHD (through licensee Fujifilm) and critical limb ischemia. Cynata is planning for additional clinical programs in further indications (including idiopathic pulmonary fibrosis, renal transplantation, and diabetic foot ulcers), following encouraging pre-clinical data. In addition, Cynata has demonstrated utility of its Cymerus™ MSC technology in preclinical models of asthma, diabetic wounds, heart attack, sepsis, acute respiratory distress syndrome (ARDS) and cytokine release syndrome.