

Cynata announces CEO succession and Board changes

Melbourne, Australia; 30 June 2023: Cynata Therapeutics Limited (ASX: “CYP”, “Cynata”, or the “Company”), a clinical-stage biotechnology company specialising in cell therapeutics, is pleased to announce the appointment of Dr Kilian Kelly to the position of Chief Executive Officer and Managing Director, effective 1 July 2023, following the retirement of Dr Ross Macdonald.

Dr Kelly has been Cynata’s Chief Operating Officer since May 2019 and has been instrumental in advancing the Company’s clinical pipeline since joining Cynata as Vice President, Product Development in 2014. A summary of the key terms of the employment agreement between Dr Kelly and the Company is set out below.

The Company is also pleased to welcome Dr David Atkins to the Board of Directors. Dr Atkins is the Managing Partner of BioScience Managers, an international healthcare investment firm and a major Cynata shareholder. Dr Stewart Washer will step down from his position as a non-executive director.

Dr Geoff Brooke, Cynata’s Chairman, said:

“The appointment of Kilian as Managing Director and CEO reflects the exciting growth and maturation of Cynata, and comes at a crucial time, further positioning the leadership team to effectively develop the Company’s rich and diverse clinical pipeline. Kilian joined the Company in 2014 and since then has demonstrated an extraordinary capability in swiftly progressing its ground-breaking cell therapy products from the laboratory to clinical trials. Notably, Kilian oversaw the development of CYP-001, Cynata’s lead Cymerus™ product for acute graft-versus-host disease (aGvHD). He expertly navigated a complex regulatory, manufacturing and clinical pathway, leading to a highly successful clinical trial in this disease. His knowledge of the Company’s platform technology and experience in the pharmaceutical industry will be essential as we advance the pipeline and progress our engagement with potential commercial partners.”

“Dr Atkins’ 30 years of international experience in product development and commercialisation across biotech, pharma and medical devices brings substantial life sciences and financial expertise to the Cynata Board, strengthening its capabilities.”

“With Kilian’s exceptional track record in rapidly advancing cell therapies and Dr. Atkins’ wealth of knowledge and experience, we are confident in our ability to further develop our clinical pipeline and maximise the potential of our platform technology.”

“I would like to thank and extend the Board’s sincere appreciation to Stewart and Ross who, as founding Chairman and founding CEO, respectively, drove Cynata’s IPO in 2013 and continuously made enormous contributions to building the Company and its technology. We value their significant contributions, leadership and dedication, which has been instrumental in fostering a culture of innovation and operational excellence at Cynata. We wish them both well.”

Dr David Atkins said:

“Cynata is the leading company worldwide in the development of iPSC-derived MSC therapeutic products. With a robust clinical pipeline, the Company has multiple active and near-term product development and partnering avenues. I am thrilled to have the opportunity to help guide the Company’s ongoing success as a pioneering biotechnology company at the forefront of developing innovative cell therapies and regenerative medicines.”

Dr David Atkins Career Summary and option grant

Dr Atkins has over 25 years' experience as a global leader in a broad range of life science and healthcare businesses including Johnson & Johnson and Danaher. He has held senior leadership positions in R&D, business development, operations and sales and marketing. David has extensive commercial experience in markets in North America, EMEA, Asia and Latin America. Furthermore, David has founded or assumed leadership roles in 3 start-up businesses in gene therapy, molecular and cellular cancer diagnostics and clinical genomics.

Cynata has agreed to grant 300,000 options to Dr Atkins or his nominee (**Options**). Each Option entitles the holder to subscribe for one fully paid ordinary Cynata share at an exercise price of \$0.176, representing a 45% premium to the volume weighted average price of Cynata shares traded on ASX over the five trading days up to the trading day immediately prior to the announcement of Dr Atkins' appointment.

The Options will be for a term of five years and will vest in equal monthly tranches over the first three years of Dr Atkins' term as director, subject to continuous service up to the applicable vesting date. Dr Atkins has nominated that the Options will be granted to Bioscience Managers.

Given Dr Atkins' executive role with Bioscience Managers (a substantial holder of Cynata), the Board considers that Dr Atkins is not an independent director.

Key terms of Dr Kelly's employment agreement and Option grant

The key terms of the employment agreement between Cynata and Dr Kelly are set out in the table below.

Key term	Details
Term	Ongoing.
Total Fixed Remuneration	\$400,000 per annum.
Short Term Incentive	Up to 30% of Total Fixed Remuneration per annum, to be determined by the Board at its discretion (based on key performance indicators agreed between the Board and Dr Kelly).
Long Term Incentive	As determined by the Board from time to time.
Termination with Notice	Dr Kelly and Cynata can each terminate Dr Kelly's employment at any time by giving 3 months' written notice. The Company may elect to pay in lieu of all or part of the notice period.
Termination without Notice	Cynata may terminate Dr Kelly's contract with immediate effect for cause.
Restraint	Dr Kelly has a 12 month post-employment restraint.

Cynata has granted 2,000,000 options to Dr Kelly (or nominee) (**Options**). Each Option entitles the holder to subscribe for one fully paid ordinary Cynata share at an exercise price of \$0.176, representing a 45% premium to the volume weighted average price of Cynata shares traded on ASX over the five trading days up to the trading day immediately prior to the announcement of Dr Kelly's appointment.

The Options will be for a term of five years and will vest in equal monthly tranches over the first three years of Dr Kelly's term as CEO, subject to continuous service up to the applicable vesting date.

-ENDS-

Authorised for release by Dr Geoff Brooke, Chairman

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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. Planning for a Phase 2 clinical trial in GvHD under a cleared US FDA IND is presently underway. Clinical trials of Cymerus products in osteoarthritis (Phase 3) and diabetic foot ulcers (DFU) are currently ongoing. In addition, Cynata has demonstrated utility of its Cymerus technology in preclinical models of numerous diseases, including the clinical targets mentioned above, as well as critical limb ischaemia, idiopathic pulmonary fibrosis, asthma, heart attack, sepsis, acute respiratory distress syndrome (ARDS) and cytokine release syndrome.

Cynata Therapeutics encourages all current investors to go paperless by registering their details with the designated registry service provider, Automic Group.