

Cynata completes \$5.0m Placement and launches SPP

Key Highlights:

- Cynata has received firm commitments for a A\$5.0 million Placement at an offer price of \$0.215
- The Placement was cornerstoned by specialist healthcare fund and existing investor Bioscience Managers and was supported by new and existing institutional shareholders and Cynata's senior management and Board members
- Proceeds will be used to fund the Company's clinical program including the proposed Phase 2 clinical trial in acute graft-versus-host disease (aGvHD)
- In addition to the Placement, Cynata will offer all eligible shareholders the opportunity to participate in a Share Purchase Plan which will be capped at \$2.0m
- Placement and SPP shares offered with free attaching options on a 1:2 basis, exercisable at \$0.30 and expiring on 1 April 2025
- Post transaction the Company's pro forma cash balance will be \$21m¹. This will support the Company's clinical programs through several key catalysts and into FY25

Melbourne, Australia; 6th April 2023: Cynata Therapeutics Limited (ASX: "CYP" or "Cynata"), a clinical-stage biotechnology company specialising in cell therapeutics, is pleased to announce a capital raising comprising a placement to raise approximately A\$5.0 million ("Placement") and a share purchase plan of up to A\$2.0 million ("SPP") (the Placement and SPP together, the "Capital Raising").

Dr Ross Macdonald, Cynata's Managing Director & CEO, stated:

"We are pleased with the support received from new and existing investors, indicating strong confidence in Cynata's clinical program and upcoming catalysts. Commencement of the phase 2 clinical trial in aGvHD will be a significant milestone for the company following on from the strong safety and efficacy results in the previous trial. In addition, the early data from the initial 6 patients in the ongoing diabetic foot ulcer (DFU) trial is encouraging and gives us confidence ahead of the phase 1 readout around the end of this year. I take this opportunity to thank existing shareholders for their continued support and to welcome new investors to the Cynata register."

Placement Details

The Placement to sophisticated and professional investors will raise \$5 million, before transaction related costs. The Placement comprises the issue of approximately 23.3 million new, ordinary fully paid Cynata shares ("New Shares"), at the offer price of \$0.215 per New Share ("Offer Price").

¹ Based on the Company's 31 December 2022 cash balance of \$16m

The Placement was cornerstoned by specialist biotechnology investor and existing shareholder, Bioscience Managers Pty Ltd. The Placement to Bioscience Managers will complete approximately 2 weeks after the Placement to the other Placement participants.

A total of approximately 22.8 million New Shares will be issued under the Placement using the Company's existing capacity under ASX Listing Rules 7.1 & 7.1A, as follows:

- Approximately 8.5 million New Shares will be issued utilising the Company's capacity under ASX Listing Rule 7.1; and
- approximately 14.3 million New Shares will be issued utilising the Company's capacity under ASX Listing Rule 7.1A.

A total of \$137,749 worth of New Shares (being 640,694 New Shares) have been subscribed for at the Offer Price by the following Cynata directors under the Placement: Dr Geoff Brooke, Dr Ross Macdonald, Dr Darryl Maher, Ms Janine Rolfe, Dr Stewart Washer and Dr Paul Wotton ("**Director Placement**"). The Director Placement is conditional on shareholder approval for the purposes of ASX Listing Rule 10.11.

Participants in the Placement will be entitled to subscribe for attaching Options (described in further detail below).

Bell Potter Securities Limited acted as lead manager to the Placement.

Share Purchase Plan

In addition to the Placement, the Company is undertaking a Share Purchase Plan ("**SPP**") to eligible shareholders seeking to raise a maximum of \$2 million. Eligible shareholders at the Record Date of 7:00pm (AEST) on Wednesday, 5 April 2023 with a registered address in Australia and New Zealand ("**Eligible Shareholders**") will be invited to participate in the SPP.

The SPP will enable Eligible Shareholders to apply for up to \$30,000 worth of New Shares at a price representing the lower of:

- \$0.215 per New Share, being the price paid under the Placement; and
- A 2.5% discount to the VWAP of shares traded on the ASX during the five trading days up to the closing date of the SPP, rounded to the nearest half cent.

Further information in relation to the SPP, including the SPP terms and conditions and scale-back policy, will be outlined in the SPP offer booklet, expected to be dispatched to Eligible Shareholders on or around Monday, 17 April 2023. The Company reserves the right to vary the terms of the SPP without notice.

The Company also reserves the right to place any shortfall under the SPP (at the same issue price) utilising its remaining capacity under ASX Listing Rule 7.1.

The SPP will open on Monday, 17 April 2023 and close at 5:00pm (AEST) on Friday, 5 May 2023. The SPP Offer is not underwritten.

SPP participants are also entitled to subscribe for attaching Options, subject to shareholder approval.

Options

Shares will be offered under the Placement and SPP with one free attaching option for every two New Shares issued (“Options”).

The Options are intended to be listed on the ASX with an exercise price of \$0.30 and will expire on 1 April 2025.

The Options will be offered under a transaction-specific prospectus.

The issue of Options to participants in the Placement will not be conditional on shareholder approval however the issue of Options to participants in the SPP will be subject to shareholder approval for the purposes of ASX Listing Rule 7.1 at an EGM to be convened to approve the Director Placement and issue of Options to SPP participants.

The issue of Options to all subscribers is also conditional on the Options meeting ASX’s quotation conditions.

Use of Funds

The funds raised under the Capital Raising will be used as follows (assuming the full \$2 million is raised under the SPP):

- Phase 2 aGvHD clinical trial: \$6.0 million;
- Working Capital: \$0.5 million; and
- Costs of the Capital Raising: \$0.5 million.

Capital Raising timetable

Record Date of the SPP	7pm (AEST), Wednesday 5 April 2023
Announcement Date Shares resume trading on ASX	Thursday, 6 April 2023
Settlement of the Placement	Friday, 14 April 2023
Issue of New Shares under the Placement	Monday, 17 April 2023
Despatch of SPP Offer Booklet SPP Opening Date	Monday, 17 April 2023

Options Prospectus lodged with ASIC and ASX and Options offer opens	
SPP Closing Date	5pm (AEST), Friday, 5 May 2023
Announcement of Results of SPP	Monday, 8 May 2023
SPP Shares Issue Date	Wednesday, 10 May 2023
EGM to approve Director Placement and issue of Options to SPP participants	On or around Thursday, 18 May 2023
Issue of Shares under Director Placement ¹ Issue of Options ¹	On or around Wednesday, 24 May 2023

1: Subject to approval at the EGM

This timetable is indicative only and subject to change. The Company reserves the right to amend the dates at its discretion and without notice, subject to the ASX Listing Rules and the *Corporations Act 2001* (Cth).

Further details of Cynata and the Capital Raising, including the risks associated with an investment in Cynata, are provided in an Investor Presentation dated 6 April 2023 and available on the ASX website (www.asx.com.au) and the Company's website (<https://www.cynata.com/cyp-asx-announcements>).

-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. 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.