ASX ANNOUNCEMENT 27 May 2020

Cynata Successfully Completes Share Purchase Plan

Melbourne, Australia; 27 May 2020: Cynata Therapeutics Limited (ASX: "**CYP", "Cynata",** or the **"Company"**), a clinical-stage biotechnology company specialising in cell therapeutics, is pleased to announce that it has successfully completed its share purchase plan (SPP) following the closing of the SPP on 22 May 2020. In view of the very high rate of acceptances the Company has resolved to vary the terms of the SPP to increase the size of the SPP from A$2.0m to A$4.8m.

Key highlights

- **Cynata has completed its SPP after a successful A$3.5m placement announced to ASX on 22 April 2020 ("Placement")**
- **Valid applications received for ~A$10.66m worth of shares under the SPP**
- **SPP cap increased from A$2.0m to A$4.8m in order to increase shareholder participation in the SPP on the same terms as the Placement**
- **SPP applications will be scaled back on a pro rata basis – participants will receive approximately 44.8% of their application**
- **Total proceeds of A$8.3m from the Placement and SPP will be used to fund and accelerate ongoing product development and for working capital**

Following the successful completion of the Placement, the Company announced an SPP to offer existing shareholders the opportunity to subscribe for up to A$30,000 worth of new shares at the same price as the Placement (A$0.60 per share), without any brokerage or transaction costs.

As at the closing date of the SPP on 22 May 2020, the Company had received valid applications for approximately A$10.66m worth of new shares under the SPP.

Given this pleasing result, the Company has resolved to vary the SPP cap from A$2.0m to A$4.8m (representing a total of 8.0m shares), so that existing shareholders will have an equitable opportunity to participate in the capital raising on the same terms as the Placement.

Notwithstanding the increase in size of the SPP, there remains an over-subscription and accordingly a scale-back of applications will be enacted. The Company's scale-back policy is that scale-back will be undertaken on a pro rata basis to all participants, based on the number of new shares applied for under the SPP. On this basis, SPP participants will receive approximately 44.8% of the number of new shares applied for (with the scale-back being approximately 55.2%).

Refunds are expected to be paid by direct credit (for those shareholders who have provided the Company with their bank details) or cheque, on or around 2 June 2020. No interest will be paid on refunds.

Holding statements in respect of new shares issued under the SPP are expected to be dispatched on 2 June 2020 and trading of the SPP shares is expected to commence on 3 June 2020.

The Board thanks shareholders for the highly encouraging level of participation in the SPP and looks forward to using the proceeds of the capital raising to drive Cynata's exciting clinical pipeline.

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

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About Cynata Therapeutics (ASX: CYP)

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

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