



11 December 2020

ASX ANNOUNCEMENT

**CYNATA THERAPEUTICS 1 FOR 15 PRO RATA NON-RENOUNCEABLE ENTITLEMENT
OFFER
NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT**

This notice is given by Cynata Therapeutics Limited (the **Company**) pursuant to section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Company has today announced that it will be undertaking a non-renounceable, non-accelerated pro rata entitlement offer (**Rights Issue**) of up to approximately 7.8 million fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$0.70 per New Share (**Offer Price**) to raise up to approximately \$5.47 million.

The Rights Issue is not underwritten.

The Rights Issue is being conducted in conjunction with a placement of New Shares to professional and sophisticated investors at the Offer Price (**Placement**). The Placement will raise approximately \$15 million. The New Shares issued under the Placement will not be entitled to participate in the Rights Issue.

The Rights Issue will entitle eligible shareholders with a registered address in Australia and New Zealand (**Eligible Shareholders**) to subscribe for 1 New Share for every 15 ordinary shares held in the Company as at the record date of 7.00pm (Melbourne time) on Wednesday, 16 December 2020.

The funds raised under the Rights Issue and Placement will be used to:

- **Expand clinical development pipeline:** to 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:** to optimise 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.**



The Company advises as follows in respect of the Rights Issue:

1. The New Shares will be offered for issue without disclosure under Part 6D.2 of the Corporations Act.
2. This notice is being given under section 708AA(2)(f) of the Corporations Act.
3. As at the date of this notice, the Company has complied with:
 - a. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - b. section 674 of the Corporations Act.
4. As at the date of this notice, there is no information that is 'excluded information' within the meaning of sections 708AA(8) or 708AA(9) of the Corporations Act which is required to be set out in this notice under section 708AA(7) of the Corporations Act.
5. The potential effect that the Rights Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings. At this time, the issue of New Shares under the Rights Issue is not expected to have a material effect or consequence on the control of the Company given:
 - a. the Rights Issue is structured as a pro-rata issue;
 - b. the Rights Issue is not underwritten;
 - c. the Rights Issue ratio is 1 New Share for every 15 existing Shares, meaning that a maximum of 6.7% of the Company's issued capital (as at the date of this notice) will be issued under the Rights Issue; and
 - d. 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).

Authorised by

A handwritten signature in black ink, appearing to read "Peter Webse".

Peter Webse

Company Secretary

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