

SPP Booklet and Option Prospectus

Melbourne, Australia; 19 April 2023: Cynata Therapeutics Limited (ASX: “CYP” or “Cynata”), a clinical-stage biotechnology company specialising in cell therapeutics, is pleased to lodge the attached Letter to Shareholders, Share Purchase Plan Booklet and Option Prospectus.

-ENDS-

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

CONTACTS: Dr Ross Macdonald, CEO, Cynata Therapeutics, +61 (0)412 119 343, ross.macdonald@cynata.com
Lauren Nowak, Media Contact, +61 (0)400 434 299, littlebigdealconsulting@gmail.com

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.

19 April 2023

Dear Shareholder

Cynata Therapeutics Limited Share Purchase Plan and SPP Option Offer

On behalf of the Board of Cynata Therapeutics Limited ACN 104 037 372) (**Cynata** or the **Company**), I am pleased to offer you the opportunity to apply for New Shares through participation in a share purchase plan (**SPP**).

The SPP

The SPP allows Eligible Shareholders, being Shareholders as at the Record Date of 5 April 2023 with a registered address in Australia or New Zealand, the opportunity to subscribe for up to \$30,000 worth of New Shares without paying brokerage or other transaction costs.

The Share Purchase Plan is being conducted as part of a Capital Raising to raise up to approximately \$7.04 million, comprising the SPP to raise up to a maximum of \$2 million (which is subject to scaleback) and the placement to raise \$5.04 million, which was announced on 6 April 2023 (**Placement**).

The SPP is being undertaken at the **SPP Offer Price**, which is the lower of:

- the offer price under the Placement, being \$0.215; and
- the price representing a 2.5% discount to the volume weighted average price of Shares during the five trading days up to and including the Closing Date of the SPP, rounded to the nearest half cent,

provided that the SPP Offer Price can be no lower than the lowest price permitted under ASX Listing Rule 7.2, Exception 5.

The SPP will not be underwritten.

The offer of New Shares under the SPP is being undertaken via the SPP Booklet.

SPP Option Offer

Eligible Shareholders are also entitled to apply for one free attaching option (**Option**) for every two New Shares subscribed for under the SPP via the **SPP Option Offer**. The Options will be exercisable at \$0.30 (30 cents), expiring on 1 April 2025, and the Company will apply for the Options to be quoted on ASX.

The SPP Option Offer is being made under a Prospectus that is being provided to Eligible Shareholders.

The SPP Option Offer is conditional on Shareholder approval at the Company's Extraordinary General Meeting to be held in Melbourne on or around 25 May 2023 (**Meeting**). A separate Notice of Meeting will be dispatched to Shareholders in connection with the Meeting, and I encourage all Shareholders to carefully read the Notice of Meeting and vote at the Meeting.

If Shareholder approval is not obtained, or if the Options do not meet ASX's quotation conditions, the offer and issue of Shares under the SPP and this Booklet may proceed, however the issue Options under the SPP Option Offer and the Prospectus may not occur. In these circumstances, SPP participants may receive New Shares under the SPP but not Options under the SPP Option Offer.

Timetable

The indicative timetable for the SPP and SPP Option Offer are set out below.

Event	Date (2023)
SPP Record Date	Wednesday, 5 April
Capital Raising announced Investor Presentation and ASX Announcement lodged with ASX	Thursday, 6 April
Settlement of Unconditional Placement (other than Bioscience Managers)	Friday, 14 April
Issue and trading of Shares under the Unconditional Placement (other than Bioscience Managers)	Monday, 17 April
Despatch of SPP Offer Booklet SPP opens Prospectus lodged with ASIC and ASX and Options offer opens	Wednesday, 19 April
Settlement and issue of Shares to Bioscience Managers under Unconditional Placement	Monday, 24 April
Despatch of Notice of Meeting	Monday, 24 April
SPP closes	Monday, 8 May
Announcement of results of SPP	Wednesday, 10 May
Issue of new Shares under SPP (other than SPP Shortfall Shares)	Thursday, 11 May
Extraordinary General Meeting	Thursday, 25 May
Settlement of Director Placement	Tuesday, 30 May
Allotment of Shares under the Director Placement Allotment of Options (subject to Shareholder approval and ASX quotation condition being met)	Wednesday, 31 May

Cynata reserves the right to vary these times and dates (other than in respect of events that have already occurred) in its absolute discretion by sending a revised timetable to ASX. All times are Melbourne times. CYP also reserves the right to accept late applications at its discretion.

How to apply

If you wish to participate in the SPP and SPP Option Offer, please download the Booklet and Options Prospectus and follow the instructions contained within the Application Form which accompanies the Prospectus. You can access your personalised Application Form to apply for New Shares and Options by taking the following steps:

1. Go to <https://investor.automic.com.au/#/home>
2. Log in with your existing username and password or register for an online account
3. Once logged in, click on "Documents and Statements" then "Other Documents"
4. Click on the Booklet, Options Prospectus and Application Form to download

The SPP and SPP Option Offer is expected to close on Monday, 8 May 2023.

The Booklet and Prospectus contain further information regarding the SPP and SPP Option Offer. In particular, the Prospectus sets out the terms of issue of the Options and describes the risks associated with an investment in Cynata. Eligible Shareholders should read the Prospectus before making any decision to invest. The Company is not licensed to provide financial advice and is not providing investment advice or any recommendation regarding the SPP and SPP Option Offer.

Queries

If you have any queries about how to participate in the SPP and SPP Option Offer, or if you would like to receive a paper copy of the Booklet and Prospectus, and a paper Application Form, please contact the Share Registry on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (International). You may also contact the Company Secretary on (08) 6377 8043. You should consult your professional adviser when deciding whether or not to participate in the SPP and SPP Option Offer.

Thank you for your support of Cynata



Dr Geoff Brooke
Chairman
Cynata Therapeutics Limited



Cynata Therapeutics Limited ACN 104 037 372

Share Purchase Plan Booklet

This document is dated 19 April 2023.

This is an important document. Please read it carefully before making an investment decision in relation to the Share Purchase Plan.

If you have any questions in relation to how to participate in the Share Purchase Plan after reading this Booklet, please contact Automatic Registry Services, the Company's share registry, from 9.00am to 5.00pm AEST, Monday to Friday, on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (International). You may also call the Company Secretary on (08) 6377 8043.

If you have any questions in relation to whether an investment in Cynata Therapeutics Limited through the Share Purchase Plan is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

IMPORTANT NOTICE AND DISCLAIMER

This Booklet does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the Share Purchase Plan having regard to your investment objectives, financial situation or particular needs.

Capitalised terms used in this Booklet have the meanings given to them in the Glossary.

The offer of New Shares under the Share Purchase Plan is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 ("**Instrument 2019/547**"), which grants relief from the requirement for the Company to provide prospectus disclosure in relation to the Share Purchase Plan. This Booklet is not a prospectus under Chapter 6D of the Corporations Act.

The laws of some countries prohibit or make impracticable participation in the Share Purchase Plan by certain overseas Shareholders. Shareholders who are not resident in Australia or New Zealand will not be able to participate in the Share Purchase Plan unless otherwise determined by the Board. The Share Purchase Plan does not constitute an offer of Shares for sale in any other jurisdiction.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders at the Record Date with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority. This Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This Booklet may not be released or distributed in the United States. The New Shares have not been and will not be registered under the US Securities Act of 1933 (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered, sold or otherwise transferred in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

Options

Participants in the Share Purchase Plan are entitled to apply for Options. The offer of Options is being made under the Prospectus.

LETTER TO SHAREHOLDERS

Dear Shareholder

Cynata Therapeutics Limited Share Purchase Plan

On behalf of the Board, I am pleased to offer you the opportunity to apply for New Shares through participation in a share purchase plan (**SPP**).

The SPP

The SPP allows Eligible Shareholders the opportunity to subscribe for up to \$30,000 worth of New Shares without paying brokerage or other transaction costs.

The Share Purchase Plan is being conducted as part of a Capital Raising to raise up to approximately \$7.04 million, comprising the SPP to raise up to a maximum of \$2 million (which is subject to scaleback) and the placement to raise \$5.04 million, which was announced on 6 April 2023 (**Placement**).

The SPP is being undertaken at the **SPP Offer Price**, which is the lower of:

- the offer price under the Placement, being \$0.215; and
- the price representing a 2.5% discount to the volume weighted average price of Shares during the five trading days up to and including the Closing Date of the SPP, rounded to the nearest half cent,

provided that the SPP Offer Price can be no lower than the lowest price permitted under ASX Listing Rule 7.2, Exception 5.

The Company is seeking to raise a capped amount of \$2 million under the SPP. Applications in excess of this amount will be scaled back at the Board's discretion. The Directors have reserved the right to place all of the Shortfall Shares (and attaching Options) under the SPP to sophisticated and professional investors as a separate placement, subject to approval at the Meeting (**SPP Shortfall Offer**).

The SPP will not be underwritten.

The offer of New Shares under the SPP is being undertaken via this Booklet.

SPP Option Offer

Eligible Shareholders are also entitled to apply for one free attaching option (**Option**) for every two New Shares subscribed for under the SPP via the **SPP Option Offer**. The Options will be exercisable at \$0.30 (30 cents), expiring on 1 April 2025, and the Company will apply for the Options to be quoted on ASX.

The SPP Option Offer is being made under a Prospectus that is being provided to Eligible Shareholders.

The SPP Option Offer is conditional on Shareholder approval at the Company's Extraordinary General Meeting, which is expected to be held in Melbourne on 25 May 2023 (**Meeting**). A separate Notice of Meeting will be dispatched to Shareholders in connection with the Meeting, and I encourage all Shareholders to carefully read the Notice of Meeting and vote at the Meeting.

If Shareholder approval is not obtained, or if the Options do not meet ASX's quotation conditions, the offer and issue of Shares under the SPP and this Booklet may proceed, however the issue Options under the SPP Option Offer and the Prospectus may not occur. In these circumstances, SPP participants may receive New Shares under the SPP but not Options under the SPP Option Offer.

Use of funds

The proceeds of the Capital Raising will be used as follows (assuming the full amount of \$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.

Any proceeds of the exercise of Options will be used to progress the Company's clinical trial program and for working capital purposes.

How to participate

The terms and conditions of the SPP, and details regarding how to apply, are provided in this Booklet.

You should read this Booklet (under which the SPP is being undertaken) and the accompanying Prospectus (under which the Company is offering the Options) in its entirety before deciding whether to participate in the SPP and SPP Option Offer.

Yours sincerely



Dr Geoff Brooke
Chairman

KEY DATES

Event	Date (2023)
SPP Record Date	Wednesday, 5 April
Capital Raising announced Investor Presentation and ASX Announcement lodged with ASX	Thursday, 6 April
Settlement of Unconditional Placement (other than Bioscience Managers)	Friday, 14 April
Issue and trading of Shares under the Unconditional Placement (other than Bioscience Managers)	Monday, 17 April
Despatch of SPP Offer Booklet SPP opens Prospectus lodged with ASIC and ASX and Options offer opens	Wednesday, 19 April
Settlement and issue of Shares to Bioscience Managers under Unconditional Placement	Monday, 24 April
Despatch of Notice of Meeting	Monday, 24 April
SPP closes	Monday, 8 May
Announcement of results of SPP	Wednesday, 10 May
Issue of New Shares under SPP (other than SPP Shortfall Shares)	Thursday, 11 May
Extraordinary General Meeting	Thursday, 25 May
Settlement of Director Placement	Tuesday, 30 May
Allotment of Shares under the Director Placement Allotment of Options (subject to Shareholder approval and ASX quotation condition being met)	Wednesday, 31 May

This timetable is indicative. CYP reserves the right to vary these times and dates in its absolute discretion by sending a revised timetable to ASX. All times are Australian Eastern Standard Time ("AEST").

KEY SPP INFORMATION

What is the SPP?

The SPP provides Eligible Shareholders with the opportunity to subscribe for up to \$30,000 worth of New Shares without paying any brokerage or other charges.

How much will the Company raise under the SPP?

CYP is seeking to raise a maximum amount of \$2 million under the SPP.

What scale-back arrangements will apply?

In the event that CYP receives applications in excess of the maximum amount sought to be raised under the SPP (of \$2 million), it will scale back applications. The basis of scale-back will be determined by the Board at its discretion, taking into account various factors including the overall level of demand, the number of New Shares applied for and the holdings of applicants.

SPP Shortfall Offer

In the event that less than \$2 million is applied for under the SPP, Directors have reserved the right to place all of the shares representing the shortfall (**Shortfall Shares**), and attaching Options, to any other sophisticated and professional investors as a separate placement (**SPP Shortfall Offer**).

Where the SPP Shortfall Offer exceeds the Company's available placement capacity, the Shortfall Shares (and attaching Options) will only be placed if Shareholder approval is obtained.

What is the SPP Offer Price of New Shares under the SPP?

The SPP is being undertaken at the **SPP Offer Price**, which is the lower of:

- the offer price under the Placement, being \$0.215; and
- the price representing a 2.5% discount to the volume weighted average price of Shares during the five trading days up to and including the Closing Date of the SPP, rounded to the nearest half cent,

provided that the SPP Offer Price can be no lower than the lowest price permitted under ASX Listing Rule 7.2, Exception 5

There is a risk that the market price of Shares may rise or fall between the Record Date, the date of this Booklet, the date on which a Shareholder makes a payment for New Shares or (if applicable) sends in an Application Form, and the time of issue of New Shares under the SPP. This means that the price you pay for the New Shares issued to you may be less than or more than the market price of Shares at the date of this Booklet or the time of issue of the New Shares.

Your application is unconditional and may not be withdrawn even if the market price of Shares is less than the SPP Offer Price.

The current CYP share price can be obtained from the ASX (www.asx.com.au) and is listed in the financial and business section of major daily newspapers circulating in Australia.

Is the SPP underwritten?

No, the SPP will not be underwritten at the time the SPP offer is made, however the Company reserves the right to subsequently put in place an underwriting for the whole or part of the maximum amount of \$2 million to be raised.

How much can I invest under the SPP?

Eligible Shareholders may apply for a parcel of New Shares under the SPP in accordance with the application amounts set out below. The maximum investment amount under the SPP is \$30,000 worth of New Shares, subject to scale-back. In the event that CYP receives applications in excess of the maximum amount of \$2 million sought to be raised under the SPP, it will scale back the applications.

The number of New Shares issued to an applicant will be calculated by dividing the application monies by the final SPP Offer Price. The table below shows how many New Shares may be issued on the basis of different parcel sizes at an assumed SPP Offer Price of:

- \$0.215; and
- \$0.195.

Application Amount	Number of New Shares at SPP Offer Price of \$0.215	Number of New Shares at SPP Offer Price of \$0.195
\$1,000	4,652	5,129
\$2,500	11,628	12,821
\$5,000	23,256	25,642
\$7,500	34,884	38,462
\$10,000	46,512	51,283
\$15,000	69,768	76,924
\$20,000	93,024	102,565
\$30,000	139,535	153,847

The number of New Shares will be rounded up to the nearest whole number.

Am I an Eligible Shareholder?

Participation in the SPP is optional and is available to Shareholders who are registered holders of Shares at the Record Date with a registered address in Australia or New Zealand (or as otherwise determined by the Board, taking into account disclosure requirements in relevant jurisdictions) provided that such Shareholder is not in the United States, or acting for the account or benefit of a person in the United States ("**Eligible Shareholder**").

The SPP is also being extended to Eligible Shareholders who are Custodians for them to participate in the SPP on behalf of certain Eligible Beneficiaries (who are Australian and New Zealand residents and not in the United States, or acting for the account or benefit of a person in the United States) on the terms and conditions provided in this Booklet.

Option holders who did not exercise their options prior to the Record Date are not eligible to participate in the SPP in relation to those options.

How do I apply and pay for New Shares?

If you wish to participate in the SPP, you must pay:

- by BPAY®, if you are an Eligible Shareholder with a registered address in Australia; or
- via Electronic Funds Transfer, if you are an Eligible Shareholder with a registered address in New Zealand.

How to pay by BPAY®

Make payment by BPAY® as shown on the enclosed Application Form. To apply via BPAY® you must have an Australian bank account. If you apply via BPAY® there is no need to return the enclosed Application Form, but you will be taken to have made the statements and certifications that are set out in the Application Form.

Payment must be received in cleared funds by no later than 5.00 pm (AEST) on Monday, 8 May 2023.

Payment where BPAY® is not available

If you are an Eligible Shareholder who does not have an Australian bank account enabled to make BPAY payments, please make payment via EFT using the details on your personalised Application Form.

Payment must be received in cleared funds by no later than 5.00 pm (AEST) on Monday, 8 May 2023.

Can I pay with cash, cheque, money order or card?

No, cash, cheques, money orders and card payments will not be processed and will be returned to applicants.

Do I have to participate in the SPP?

No, participation in the SPP is entirely voluntary.

If you do not wish to participate in the SPP (and the offer of attaching Options), do nothing.

Can my offer under the SPP be transferred to a third party?

No, the offer cannot be transferred.

What are the rights attached to New Shares issued under the SPP?

New Shares issued under the SPP will rank equally with other fully paid ordinary shares of CYP as at the date of issue of the New Shares, except that New Shares issued

under the SPP will be entitled to apply for attaching Options.

What are the Options and what is my entitlement to them?

The Options are free attaching options being offered to participants in the Placement and SPP via the Prospectus.

Eligible Shareholders will be entitled to apply for one Option for every two New Shares subscribed for under the SPP. The Options will be issued for nil cash consideration and will be exercisable at \$0.30 (30 cents), expiring on 1 April 2025. Each Option gives the holder the right to subscribe for one Share upon exercise.

The offer of New Shares under the SPP is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**Instrument 2019/547**) via this Booklet. Instrument 2019/547 allows a share purchase plan to be conducted without the use of a prospectus once in every 12-month period. The Company satisfies the conditions of Instrument 2019/547 for the issue of Shares under the SPP, however the Company is unable to rely on Instrument 2019/547 for the SPP Option Offer because the Options to be issued under the SPP Option Offer are a new class of securities not currently quoted on the ASX.

Accordingly, the Company is undertaking the SPP Option Offer under this Prospectus.

The SPP Option Offer is conditional and may not proceed

The offer of Options (which is governed by the Prospectus) is conditional on obtaining Shareholder approval at the Meeting. If Shareholder approval is not obtained, or if the Options are not quoted, Shareholders who subscribe for New Shares under the SPP will be issued New Shares but will not be issued Options.

In the event of a scale-back, the number of Options issued to you will be scaled back in the same proportion as the number of New Shares applied for is scaled back (so that you will be issued 50% of the number of Options as New Shares).

How do I apply for Options?

Refer to the Prospectus for further details. The Application Form allows you to apply for both New Shares (offered under the Booklet) and attaching Options (offered under the Prospectus).

Will the Options be quoted on ASX?

The Company intends to seek quotation of the Options on ASX. ASX Listing Rule 2.5, condition 6, requires that there are at least 100,000 Options on issue and 50 holders of Options with a marketable parcel (excluding restricted securities). If this condition is not satisfied, the issue of Options may not proceed.

Where can I get more information on the SPP?

If you have questions in relation to how to participate in the SPP, please contact the Company's share registry,

Automatic Registry Services, on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (International). You may also contact the Company Secretary on (08) 6377 8043.

If you have any questions in relation to whether an investment in CYP through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

What do I do if I am a Custodian?

The SPP is being extended to Eligible Shareholders who are Custodians (who are not in the United States, or acting for the account or benefit of a person in the United States) and who wish to apply for New Shares on behalf of certain Eligible Beneficiaries.

The SPP is being offered to Custodians as the registered Shareholder. Custodians are not required to participate on behalf of their Eligible Beneficiaries. Custodians may choose whether or not to extend the SPP to their Eligible Beneficiaries.

If you wish to apply as a Custodian under the SPP to receive New Shares for one or more Eligible Beneficiaries, you must complete and submit an additional Custodian Certificate before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected. By applying as a Custodian on behalf of Eligible Beneficiaries to purchase New Shares, you certify (amongst other things) that each Eligible Beneficiary has not exceeded the \$30,000 limit.

TERMS AND CONDITIONS OF THE SPP

1. SPP Offer

1.1 Cynata Therapeutics Limited ("**CYP**" or "**Company**") offers Eligible Shareholders (defined in clause 2 below) the opportunity to purchase up to \$30,000 worth of fully paid ordinary shares in CYP ("**New Shares**") at the SPP Offer Price per New Share as determined under clause 1.2 below, under the Share Purchase Plan ("**SPP**"), subject to and in accordance with the terms and conditions set out in this Booklet.

1.2 The "**SPP Offer Price**" is the lower of:

- (a) \$0.215 per New Share, being the same price as shares were issued under the Placement, which represents a discount of 19.1% to the volume weighted average price of Shares during the five trading days up to the announcement of the SPP; and
- (b) the price representing a 2.5% discount to the volume weighted average price of Shares during the five trading days up to the Closing Date of the SPP, rounded to the nearest half cent,

provided that the SPP Offer Price can be no lower than the lowest price permitted under Listing Rule 7.2, Exception 5.

1.3 Each person who applies to participate in the SPP accepts the risk that the market price of

Shares may change between the Record Date, the date of the SPP Offer, the date on which the applicant makes a BPAY® or EFT payment or sends in an Application Form (if applicable) and the date on which New Shares are issued to the applicant under the SPP. The effect of this is that the SPP Offer Price may be higher or lower than the market price of Shares at any given time and that Shares could be bought on-market at a lower price than the SPP Offer Price.

1.4 In these terms and conditions, the "**SPP Offer**" means the offer in clause 1.1.

1.5 Only persons who are Eligible Shareholders may participate in the SPP. If you are an Eligible Shareholder, your rights under the SPP Offer and the SPP are personal to you and cannot be transferred to another person.

1.6 Directors and employees of CYP who are Eligible Shareholders may participate in the SPP.

1.7 All references to \$ or dollars in this booklet are references to Australian dollars unless indicated otherwise.

2. Eligible Shareholders

2.1 Subject to the remaining paragraphs of this clause 2, an "**Eligible Shareholder**" means a registered holder of CYP Shares as at the "**Record Date**" (being 7:00 pm AEST on Wednesday, 5 April 2023) whose address, as recorded in CYP's register of members, is in Australia or New Zealand (or as otherwise determined by the Board taking into account applicable disclosure requirements).

2.2 Option holders who did not exercise their options prior to the Record Date are not eligible to participate in the SPP in relation to those options.

2.3 The New Shares to be issued under the SPP have not been and will not be registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States. The New Shares may not be offered, sold or otherwise transferred in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. Accordingly, Shareholders who are located in the United States or who are, or are acting for the account or benefit of, persons in the United States, are not Eligible Shareholders and are not entitled to participate in the SPP (unless otherwise determined by the Board taking into account applicable disclosure requirements).

2.4 Shareholders who are joint holders of Shares are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder, and the certification in the Application Form by one joint holder will be taken to have been given by all joint holders.

2.5 Where a Custodian (as defined in Instrument 2019/547) is a registered holder of Shares on

the Record Date and holds Shares on behalf of one or more persons with a registered address in Australia or New Zealand who is not in the United States, or acting for the account or benefit of a person in the United States ("**Eligible Beneficiaries**"), the SPP Offer is made to the Custodian and the Custodian has the discretion whether to extend the SPP Offer to the Eligible Beneficiaries. If you are a Custodian who wishes to apply for New Shares on behalf of an Eligible Beneficiary, CYP will not issue New Shares unless you submit an additional Custodian Certificate that contains further certifications and details (required by the terms of Instrument 2019/547). Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.

2.6 Custodians must request a Custodian Certificate when making an application on behalf of Eligible Beneficiaries. To request a Custodian Certificate or further information about the custodian application process, please contact Automic Registry Services, the Company's share registry, from 9.00am to 5.00pm AEST Monday to Friday on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (International).

2.7 A Shareholder or Custodian will be ineligible to participate in the SPP if their participation would be in breach of Instrument 2019/547.

3 Application to Participate

Applying for New Shares

3.1 Participation in the SPP is optional.

3.2 Eligible Shareholders may participate in the SPP by applying to purchase a parcel of New Shares in the following amounts, up to a maximum amount of \$30,000 per Eligible Shareholder:

- (a) \$1,000;
- (b) \$2,500;
- (c) \$5,000;
- (d) \$7,500;
- (e) \$10,000;
- (f) \$15,000;
- (g) \$20,000; or
- (h) \$30,000.

The number of New Shares issued to an applicant will be rounded up to the nearest whole number after dividing the application monies by the SPP Offer Price.

3.3 If you are an Eligible Shareholder and wish to participate in the SPP, you must either:

- (a) if you are an Eligible Shareholder resident in Australia, make payment by BPAY® in the appropriate amount in Australian dollars using your customer reference number (which is required to identify your holding) and the biller code, both of which are set out on your personalised Application Form, so that

payment is received by CYP's share registry by no later than 5.00 pm (AEST) on Monday, 8 May 2023. Receipt of your BPAY® payment will be taken by CYP as your application; and

- (b) if you are an Eligible Shareholder resident in New Zealand, please make payment via EFT using the details on your personalised Application Form.

3.4 If an Eligible Shareholder has more than one holding, the Eligible Shareholder may not apply for New Shares with an aggregate value of more than \$30,000 under the SPP. Accordingly, an Eligible Shareholder may only make an application for the maximum amount with respect to one holding.

3.5 You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of application monies via BPAY® or EFT. Your financial institution may have a set limit on the amount that you can pay via BPAY® or EFT. It is your responsibility to ensure that the amount you wish to pay via BPAY® or EFT is received by CYP's share registry by 5.00 pm (AEST) on Monday, 8 May 2023.

If you make a payment via BPAY® or EFT you represent and warrant that the total of the application price for the following does not exceed \$30,000:

- (a) the New Shares the subject of your application;
- (b) any other Shares issued to you under an arrangement similar to the SPP in the 12 months before the date of your application under the SPP;
- (c) any other New Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
- (d) any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of your application for New Shares as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such Shares, even though you may have received more than one offer or received offers in more than one capacity.

CYP's discretion with regard to applications

3.6 CYP may accept or reject any application under the SPP, including where:

- (a) your Application Form is incorrectly completed, incomplete or the application is otherwise determined by CYP to be invalid (if applicable);
- (b) you make your payment by cheque or money order;
- (c) the amount of your BPAY® or EFT payment is not equal to \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000,

\$20,000 or \$30,000. If this occurs, CYP may either;

- (i) refund in full your application monies and not allot any New Shares to you; or
 - (ii) allot you the number of New Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your application monies;
- (d) it appears that you are applying to purchase more than \$30,000 worth of New Shares in aggregate (including as a result of any Shares you hold directly, jointly or through a Custodian or nominee arrangement);
 - (e) your BPAY® or EFT payment is received after 5.00 pm (AEST) on Monday, 8 May 2023;
 - (f) payment of the application monies is not submitted in Australian currency; or
 - (g) CYP reasonably believes that you are not eligible to participate in the SPP (subject to compliance with any applicable ASIC or ASX requirements).

Refund

3.7

If you are entitled to a refund of all or any of your application monies the refund will be paid to you, without interest, as soon as is practicable:

- (a) by direct credit to your nominated bank account (as recorded by CYP's share registry) or, if permitted, cheque; or
- (b) by returning your Application Form (if applicable) and cheque or money order, if not processed, to your registered address as recorded in CYP's register of members.

3.8

Any amount under \$2.00 will not be refunded.

4.

Effect of Making an Application

If you submit a BPAY® or EFT payment or (if permitted) complete and return an Application Form you:

- (a) warrant that you are an Eligible Shareholder and are eligible to participate in the SPP;
- (b) are deemed to have accepted the SPP Offer and you irrevocably and unconditionally acknowledge and agree to the terms and conditions of the SPP and the terms of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (c) acknowledge that your application will be irrevocable and unconditional;
- (d) agree to pay the SPP Offer Price per New Share up to the maximum of:

- (i) the value you have selected on the Application Form; or
- (ii) the maximum value of your BPAY® or EFT payment;

(e) certify and represent to CYP that you have not directly or indirectly, including through a Custodian, applied for more than \$30,000 worth of New Shares;

(f) certify that the total of the application price for the following does not exceed \$30,000:

- (i) the New Shares the subject of your application;
- (ii) any other Shares issued to you under an arrangement similar to the SPP in the 12 months before the date of your application under the SPP;
- (iii) any other New Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
- (iv) any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of your application for New Shares as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such Shares, even though you may have received more than one offer or received offers in more than one capacity;

(g) accept the risk associated with any refund that may be sent to your address (as shown on CYP's register of members) or to your nominated bank account (as recorded by CYP's share registry);

(h) acknowledge that no interest will be paid on any application monies held pending the allotment of New Shares or subsequently refunded to you for any reason;

(i) acknowledge that neither CYP nor its share registry has provided any investment advice or financial product advice and that neither of them has any obligation to provide this advice in relation to your consideration as to whether or not to participate in the SPP;

(j) acknowledge that CYP (and each of its officers and agents) is not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;

(k) acknowledge that the New Shares to be issued under the SPP have not, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction outside Australia or New Zealand and, accordingly, the New Shares to be issued under the SPP may

not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;

- (l) agree not to send this Booklet or any other material relating to the SPP to any person in the United States or any other country outside Australia and New Zealand;
- (m) agree to be bound by CYP's constitution;
- (n) authorise CYP (and each of its officers and agents) to correct any error in, or omission from, the Application Form and complete the Application Form by inserting any missing details (if applicable);
- (o) acknowledge that CYP may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective (if applicable); and
- (p) are responsible for any dishonour fees or other costs CYP may incur in presenting a cheque that is dishonoured (if applicable).

5. Scale-Back and SPP Offer Size

5.1 CYP is seeking to raise a maximum of \$2 million under the SPP. In the event that CYP receives applications in excess of this amount, it will scale back the applications. The basis of scale-back will be determined by the Board at its discretion, taking into account various factors including the overall level of demand, the number of New Shares applied for and the holdings of applicants.

5.2 If there is a scale-back you may receive less than the parcel of New Shares for which you have applied.

5.3 If a scale-back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allotted will be rounded up to the nearest whole number of New Shares.

5.4 If there is a scale-back, the difference between the application monies received from you, and the number of New Shares allocated to you multiplied by the SPP Offer Price, will be refunded to you in accordance with clause 3.7.

6. The New Shares

6.1 New Shares issued under the SPP will rank equally in all respects with existing Shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements (other than the right to subscribe for free attaching Options on a 1:2 basis).

6.2 CYP will apply for the New Shares issued under the SPP to be quoted on the ASX.

7. No Transaction Costs

Eligible Shareholders who participate in the SPP will not pay any brokerage, commissions or other transaction costs in respect of the issue and allotment of New Shares.

8. Timetable

The timetable for the key events relating to the SPP is as set out in the Key Dates section of this Booklet ("**Timetable**"). CYP may, at its discretion, vary any of the dates in the Timetable or in these terms and conditions by lodging a revised timetable with the ASX.

9. Dispute Resolution

CYP may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application. Any determinations by CYP will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. CYP's rights may be exercised by its board or any delegate of the board.

10. Variation, Suspension and Termination

10.1 CYP may at its discretion and at any time:

- (a) vary, suspend or terminate the SPP. If CYP does this, it will make an announcement to the ASX. Failure to notify Shareholders of variations to or the suspension or termination of the SPP will not invalidate the variation, suspension or termination; and
- (b) to the extent permitted by law, waive compliance with any provision of the SPP or these terms and conditions.

10.2 CYP reserves the right to issue no New Shares under the SPP or fewer New Shares under the SPP than applied for under the SPP at its complete discretion, including if CYP believes the issue of those New Shares would contravene ASIC requirements or policy, any law or any ASX Listing Rule. In the event that CYP receives applications for New Shares in excess of \$2 million, the scale-back policy in clause 5.1 of these SPP terms will apply.

11. Instrument 2019/547 compliance

11.1 The SPP is offered in compliance with Instrument 2019/547. Instrument 2019/547 provides relief from the requirement for CYP to provide prospectus disclosure in relation to the SPP. This booklet is not a prospectus under the Corporations Act.

11.2 Instrument 2019/547 also provides relief to allow clients of second or subsequent level Custodians to participate in the SPP. Any additional or varied ASIC requirements in the class order will apply to participation on behalf of such clients.

12. Governing Law

These SPP terms and conditions are governed by the laws in force in Victoria. Any dispute arising out of, or in connection with, these terms

and conditions, or the SPP Offer, will be determined by the courts of Victoria. By accepting the SPP Offer, you agree to submit to the non-exclusive jurisdiction of the courts in Victoria. Other terms and conditions, rights and obligations of New Shares are contained in the constitution of the Company. The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

GLOSSARY

The following terms apply throughout this Booklet.

Defined term	Meaning
Application Form	your personalised application form enclosed with this Booklet.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited or the market operated by it, as the context requires.
ASX Listing Rules	the listing rules of ASX.
Beneficiary	a person on whose behalf a Custodian is holding Shares on the Record Date.
Booklet	this booklet, which sets out the terms of the SPP Offer.
Capital Raising	the Placement and SPP, including the offer of Options pursuant to the Prospectus.
Company or CYP	Cynata Therapeutics Limited ACN 104 037 372.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Custodian	a custodian as defined in paragraph 4 of Instrument 2019/547.
Custodian Certificate	a certificate complying with subparagraph 8(3) of Instrument 2019/547.
Eligible Beneficiary	as defined in section 2.5 of the terms and conditions.
Eligible Shareholder	Shareholders who are registered holders of Shares at the Record Date with a registered address in Australia or New Zealand, provided that such Shareholder is not in the United States, or acting for the account or benefit of a person in the United States.

Defined term	Meaning
EFT	electronic funds transfer.
Instrument 2019/547	ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.
Meeting	the Extraordinary General Meeting of Shareholders of the Company expected to be held on 25 May 2023.
New Share	a Share to be issued (at the SPP Offer Price) to successful applications under the SPP Offer.
Option	a free attaching option, offered to participants in the Placement and SPP for nil consideration on the basis of an entitlement to one Option for every two New Shares issued, the offer of which is being made by the Company through the Prospectus (which also sets out the terms of issue of the Options).
Placement	as defined in the Letter to Shareholders in this Booklet (which includes the Director Placement).
Prospectus	the transaction-specific issued by the Company on the date of this Booklet in connection with the offer of Options.
Record Date	7.00pm (AEST) on Wednesday, 5 April 2025.
Share	a fully paid ordinary share in CYP.
Shareholder	a registered holder of Shares.
Shortfall Shares	as defined in the Key SPP Information in this Booklet
SPP	as defined in clause 1.1 of the terms and conditions.
SPP Offer	as defined in clause 1.4 of the terms and conditions.
SPP Offer Price	the price per New Share as determined under clause 1.2 of the terms and conditions.
SPP Option Offer	the offer of attaching Options made to SPP participants pursuant to the Prospectus, which is subject to Shareholder approval.
SPP Shortfall Offer	as defined in the Key SPP Information in this Booklet.

For personal use only



CYNATA THERAPEUTICS LIMITED
ACN 104 037 372

PROSPECTUS

For an offer of up to 11,405,601 Options for nil consideration, on the basis of one Option for every two Shares issued to investors under the Unconditional Placement (**Unconditional Placement Offer**);

and

For an offer of up to 320,348 Options for nil consideration, on the basis of one Option for every two Shares issued to Directors under the Director Placement (**Director Placement Offer**);

and

For an offer of Options for nil consideration, on the basis of one Option for every two Shares issued, to investors under the SPP and the SPP Shortfall Offer (**SPP Option Offer**).

The Director Placement Offer and SPP Option Offer are conditional upon the Company obtaining the requisite Shareholder approval at the Company's Extraordinary General Meeting scheduled to be held on Thursday, 25 May 2023 (**Meeting**). Refer to Section 3.7 for further details.

The Offers are not open to the general public.

IMPORTANT INFORMATION

This Prospectus is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Options offered under this Prospectus are considered speculative.

CONTENTS

Section	Page
Important Notice	2
1. Key Details	4
2. Corporate Directory	7
3. Details of the Offers	8
4. How to Apply	13
5. Purpose and Effect of the Offers	15
6. Rights and Liabilities Attaching to Securities	19
7. Risk Factors	24
8. Additional Information	28
9. Glossary	34
Application Form for SPP and SPP Option Offer participants	36

IMPORTANT NOTICE

Prospectus

This Prospectus relates to the offer of Options by Cynata Therapeutics Limited (**CYP** or **Company**) under the Offers.

The Offers made under this Prospectus are only being made to participants in the Unconditional Placement, Director Placement and SPP (including the SPP Shortfall Offer). It is not being made to the general public.

This Prospectus is dated 19 April 2023 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The expiry date of the Prospectus is 5.00pm (Melbourne time) on the date that is 13 months after the date of this Prospectus (**Expiry Date**). No Options will be issued on the basis of this Prospectus after the Expiry Date.

This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and their professional advisers.

None of ASIC and ASX, and their respective officers, take any responsibility for the contents of this Prospectus or the merits of the securities to which this Prospectus relates.

ASX maintains a database of publicly available information issued by the Company as a disclosing entity.

Applications for Options offered pursuant to this Prospectus can only be submitted on an Application Form that accompanies this Prospectus.

Exposure period

No exposure period applies to this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74.

ASIC Instrument 2016/80

This Prospectus has been prepared, in part, to ensure that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 (**Instrument 2016/80**) is available in respect of the Options. Instrument 2016/80 provides relief from the on-sale provisions of section 707 of the Corporations Act and will relieve the need for any further disclosure to be made prior to the on-sale of Shares issued following the exercise of Options, within 12 months of their date of issue. Shares issued on exercise of the Options will be able to be immediately traded on ASX (subject to the grant of quotation).

ASIC Instrument 2019/547

The offer of Shares under the SPP is being made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**Instrument 2019/547**) via an SPP offer booklet. Instrument 2019/547 allows a share purchase plan to be conducted without the use of a prospectus once in every 12-month period. The Company satisfies the conditions of Instrument 2019/547 for the issue of Shares under the SPP, however the Company is unable to rely on Instrument 2019/547 for the SPP Option Offer because the Options to be issued under the SPP Option Offer are a new class of securities not currently quoted on the ASX.

Accordingly, the Company is undertaking the SPP Option Offer under this Prospectus.

No cooling off rights

Cooling off rights do not apply to an investment in Options. You cannot withdraw your application once it has been accepted.

No representation other than in this Prospectus

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Except as required by law, and only to the extent so required, neither CYP nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus, or on the exercise of the Options issued under this Prospectus.

Prospectus does not contain investment advice

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information in this Prospectus in full before deciding to apply for Options and consider the risks that could affect the performance of Options and Shares issued on exercise of the Options.

If you have any questions, you should seek advice from your financial or other professional adviser.

Obtaining a Prospectus and Application Form

Paper copies of this Prospectus and an Application Form can be obtained free of charge during the offer period (as set out in the Timetable) by calling the Company Secretary on +61 8 6377 8043.

Risk Factors

Potential investors should be aware that subscribing for and exercising Options involves a number of risks. The key risk factors which investors should be aware of are set out in Section 7 of this Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options, and underlying Shares, in the future.

Restrictions on Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

No action has been taken to register or qualify the Options being offered under the Offers or otherwise permit a public offering of the Options in any jurisdiction other than Australia and New Zealand.

In particular, this Prospectus, the Offers and the Options to be issued under the Prospectus have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and the Offers may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Information for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

Financial information and forward looking statements

Section 5 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information.

Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

This Prospectus contains forward looking statements which are identified by words such as “may”, “could”, “believes”, “estimates”, “expects”, “intends” and other similar words that involve risks and uncertainties. Any forward looking statements are subject to various risk factors that could cause the Company’s actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with risk factors as set out in Section 7, and other information in this Prospectus.

Defined words and expressions

Some words and expressions used in this Prospectus have defined meanings. These words and expressions are capitalised and are defined throughout the Prospectus or in the Glossary in Section 9.

A reference to \$ or cents in this Prospectus is a reference to Australian currency (unless otherwise stated). A reference to time in this Prospectus is a reference to Melbourne, Australia time.

Privacy

If you apply for Options, you will provide personal information to the Company and the Share Registry. The Company and the Share Registry collect, hold and use your personal information in order to assess your application, service your needs as a Shareholder and Option holder, provide facilities and services that you request and carry out appropriate administration. Company and tax laws require some of the information to be collected. If you do not provide the information requested, your application may not be able to be processed efficiently, or at all.

Each of the Company and the Share Registry may disclose your personal information for purposes related to your shareholding or optionholding to each other and to their respective agents and services providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth) (**Privacy Act**):

- In the case of the Company, to the Share Registry for ongoing administration of the share register.
- In the case of the Company and the Share Registry, to printers and mailing houses for the purposes of preparation and distribution of Shareholder and Option holder information and for handling of mail.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) the Company or the Share Registry. You can request access to your personal information by telephoning 1300 288 664 between 9am-5pm (Melbourne time) Monday to Friday (excluding public holidays) or otherwise contacting the Share Registry.

1 KEY DETAILS

1.1 Summary of Offer details

Key SPP and SPP Option Offer details

Terms of SPP	Details
SPP Offer Price	<p>The SPP Offer Price is the lower of:</p> <ul style="list-style-type: none">the Offer Price under the Placement, being \$0.215; andthe price representing a 2.5% discount to the volume weighted average price of Shares during the five trading days up to the Closing Date of the SPP, rounded to the nearest half cent, <p>provided that the SPP Offer Price can be no lower than the lowest price permitted under Listing Rule 7.2, Exception 5.</p>
Maximum amount to be raised under the SPP	The SPP is seeking to raise a maximum of \$2,000,000.
Total number of Shares to be issued under SPP	Up to 9,302,325 Shares will be issued under the SPP, assuming the SPP is fully subscribed and the SPP Offer Price is \$0.215.
Total number of Options to be issued under SPP Option Offer (subject to Shareholder approval)	<p>Up to 4,651,163 Options will be issued under the SPP Option Offer (subject to rounding), assuming 9,302,325 Shares are issued under the SPP.</p> <p>The SPP Option Offer is conditional on Shareholder approval.</p>
Total amount raised if all Options are issued and exercised in respect of the Share Purchase Plan	\$1,395,348, which will be used to help fund the Company's trial program and for working capital.
SPP Option Offer conditional	In the event that the SPP Option Offer is not approved by Shareholders, the Eligible Shareholders who participate in the SPP will receive Shares under the SPP (issued without a disclosure document) but will not receive Options under this Prospectus.
Quotation of Options	The Company will apply for the Options to be issued under the SPP Option Offer to be quoted on ASX within seven days after the date of this Prospectus. If the Options are not quoted on ASX (for example, as a result of failing to reach the minimum spread of 50 Option holders), the SPP Option Offer made under this Prospectus may not proceed.

Key Placement details

Terms of Placement	Details
Offer Price under the Placement	\$0.215 per Share.
Total Shares to be issued under the Placement	<p>A total of up to 23,451,896 Shares, comprising:</p> <ul style="list-style-type: none"> • 22,811,202 new Shares issued utilising the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A under the Unconditional Placement; and • 640,694 Shares to be issued, subject to Shareholder approval, under the Director Placement.
Total amount to be raised under the Placement	\$5.04 million.
Total number of Options to be issued under the Placement	<p>A total of approximately 11,725,949 Options, comprising:</p> <ul style="list-style-type: none"> • 11,405,601 Options to be issued in connection with the Unconditional Placement; and • 320,348 Options to be issued, subject to Shareholder approval, in connection with the Director Placement.
Total amount raised if all Options are issued and exercised in respect of the Placement	\$3,517,784, which will be used to help fund the Company's trial program and for working capital.
Offer of Options to Director Placement participants conditional on Shareholder approval	In the event that the Director Placement Offer is not approved by Shareholders, the Directors who participate in the Director Placement will not receive Shares or Options.
Quotation of Options	The Company will apply for the Options to be issued to Placement participants to be quoted on ASX within seven days after the date of this Prospectus. If the Options are not quoted on ASX (for example, as a result of failing to reach the minimum spread of 50 Option holders), the Unconditional Placement Offer and Director Placement Offer made under this Prospectus may not proceed.

Capital structure on completion of the Offers

Assuming that all of the Shares are issued under the Placement, Director Placement and SPP and all of the Options are issued under the Offers, a total of:

- (a) 176,030,815 Shares; and
- (b) 23,677,115 options,

will be on issue on completion of the Offers.

1.2 Indicative timetable

The key dates in respect of the Offers, assuming all Shareholder resolutions to be considered at the Meeting are passed, are as follows.

Event	Date (2023)
SPP Record Date	Wednesday, 5 April
Capital Raising announced Investor Presentation and ASX Announcement lodged with ASX	Thursday, 6 April
Settlement of Unconditional Placement (other than Bioscience Managers)	Friday, 14 April
Issue and trading of Shares under the Unconditional Placement (other than Bioscience Managers)	Monday, 17 April
Despatch of SPP Offer Booklet SPP opens Prospectus lodged with ASIC and ASX and Options offer opens	Wednesday, 19 April
Settlement and issue of Shares to Bioscience Managers under Unconditional Placement	Monday, 24 April
Despatch of Notice of Meeting	Monday, 24 April
SPP closes	Monday, 8 May
Announcement of results of SPP	Wednesday, 10 May
Issue of new Shares under SPP (other than SPP Shortfall Shares)	Thursday, 11 May
Extraordinary General Meeting	Thursday, 25 May
Settlement of Director Placement	Tuesday, 30 May
Allotment of Shares under the Director Placement Allotment of Options (subject to Shareholder approval and ASX quotation condition being met)	Wednesday, 31 May

CYP reserves the right to vary these times and dates (other than in respect of events that have already occurred) in its absolute discretion by sending a revised timetable to ASX. All times are Melbourne times. CYP also reserves the right to accept late applications at its discretion.

2 CORPORATE DIRECTORY

Directors Dr Ross Macdonald (Managing Director, CEO) Dr Geoffrey Brooke (Chairman, Non-Executive Director) Dr Darryl Maher (Non-Executive Director) Ms Janine Rolfe (Non-Executive Director) Dr Stewart Washer (Non-Executive Director) Dr Paul Wotton (Non-Executive Director)	Registered Office Telephone: (03) 7067 6940 Fax: (03) 7067 6940 Level 3, 100 Cubitt Street Cremorne VIC 3121 Website: https://www.cynata.com/
Company Secretary Mr Peter Webse	ASX Code: CYP
Share Registry Automic Pty Ltd Level 5, 126 Phillip Street, Sydney NSW 2000 Telephone: 1300 288 664	Lead Manager Bell Potter Securities Limited Level 29, 101 Collins Street Melbourne VIC 3000
Auditor* Stantons Level 2, 40 Kings Park Road West Perth WA 6005	Australian Legal Adviser Becketts Lawyers Level 21/90 Collins St Melbourne VIC 3000

*The Auditor is included for information purposes only, and has not been involved in the preparation of this Prospectus.

3 DETAILS OF THE OFFERS

3.1 Background

On 6 April 2023, the Company announced a capital raising and issue of Shares and free attaching Options (**Capital Raising**) comprising the following components.

Placement

- (a) A placement to professional and sophisticated investors, including the Company's Board members, to raise a total of approximately \$5.04 million (**Placement**) through the issue of 23,451,896 new Shares at an offer price of \$0.215 per Share (**Offer Price**).
- (b) The Placement comprises the **Unconditional Placement** and **Director Placement**.
- (c) The Company has engaged Bell Potter Securities Limited as lead manager of the Placement. The Placement is not underwritten.

Unconditional Placement

- (d) On 17 April and 24 April 2023, a total of 22,811,202 new Shares will have been issued to professional and sophisticated investors (**Unconditional Placement**), utilising the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A as follows:
 - (i) 8,483,543 Shares issued under ASX Listing Rule 7.1; and
 - (ii) 14,327,659 Shares issued under ASX Listing Rule 7.1A.

Director Placement

- (e) In conjunction with the Unconditional Placement, the Company is undertaking a placement to the Directors (**Director Placement**).
- (f) On or about 31 May 2023, a total of 640,694 Shares and up to 320,348 free attaching Options are proposed to be issued to the Directors under the Director Placement.
- (g) The issue of new Shares and Options under the Director Placement is conditional on Shareholder approval.
- (h) The issue of Shares and Options to Directors under the Director Placement will, if approved, be undertaken on exactly the same terms as the issue of Shares and Options to participants in the Unconditional Placement.
- (i) The total value of new Shares (at the Offer Price) proposed to be issued to the Directors is \$137,749.

Share Purchase Plan

- (j) A share purchase plan to accompany the Placement (**Share Purchase Plan** or **SPP**), under which **Eligible Shareholders** (being Shareholders with an address in Australia or New Zealand, or otherwise as determined by the Directors, who are on the register as at 7pm on 5 April 2023) will be entitled to acquire up to \$30,000 worth of new Shares at the SPP Offer Price. The Company is seeking to raise a maximum of \$2,000,000 under the SPP.
- (k) The **SPP Offer Price** is the lower of:

- (i) the Offer Price under the Placement, being \$0.215; and
- (ii) the price representing a 2.5% discount to the volume weighted average price of Shares during the five trading days up to the Closing Date of the SPP, rounded to the nearest half cent,

provided that the SPP Offer Price can be no lower than the lowest price permitted under Listing Rule 7.2, Exception 5.

- (l) The SPP is not underwritten.
- (m) The Directors have reserved the right to place all of the SPP Shortfall Shares (and attaching Options) under the SPP to any other sophisticated and professional investors (who are not related parties) as a separate placement at the SPP Offer Price (**SPP Shortfall Offer**).

Options

- (n) Shares issued under the Placement and SPP are being offered with free attaching options, expiring on 1 April 2025 and with an exercise price of \$0.30 (**Options**).
- (o) The terms of issue of the Options are set out in Section 6.1.
- (p) The Options are being offered at a ratio of one Option for every two new Shares issued under the Placement and SPP (including the SPP Shortfall Offer).
- (q) The Options are being offered under this Prospectus.
- (r) The Company will apply for quotation of the Options on ASX, the grant of which will be subject to satisfaction of the minimum spread requirements under the ASX Listing Rules. If the Options are not quoted, the issue of Options may not proceed.
- (s) Only those Shareholders who participated in the Placement, or who participate in the SPP (or the SPP Shortfall Offer), will be entitled to subscribe for Options under this Prospectus.

3.2 Unconditional Placement Offer

Investors under the Unconditional Placement (**Unconditional Placement Subscribers**) are being offered one free attaching Option, for nil consideration, for every two Shares issued to each investor under the Unconditional Placement.

The offer of Options to Unconditional Placement Subscribers (the **Unconditional Placement Offer**) is being made in this Prospectus and will result in the issue of up to approximately 11,405,604 Options to the Unconditional Placement Subscribers (subject to rounding).

The offer of Options to Unconditional Placement Subscribers is not conditional on Shareholder approval of the Unconditional Placement Offer.

3.3 Director Placement Offer

The Directors who are participating in the Director Placement (**Director Placement Subscribers**) are being offered, subject to Shareholder approval, one free attaching Option, for nil consideration, for every two Shares issued to each Director under the Director Placement.

The offer of Options to Director Placement Subscribers (the **Director Placement Offer**) is being made in this Prospectus and will result in the issue of up to approximately 320,347 Options to the Director Placement Subscribers (subject to rounding).

3.4 SPP Option Offer

Eligible Shareholders who subscribe for Shares under the SPP, and any investors who subscribe for Shares under the SPP Shortfall Offer (together **SPP Option Subscribers**), are being offered, subject to Shareholder approval, one free attaching Option, for nil consideration, for every 2 Shares issued to them in connection with the SPP and the SPP Shortfall Offer.

Assuming the SPP is fully subscribed (up to \$2,000,000) and the SPP Offer Price is:

- (a) the Offer Price under the Placement (\$0.215), up to approximately 9,302,325 Shares and 4,651,163 Options will be issued to participants in the SPP (subject to rounding); and
- (b) lower than the Offer Price under the Placement, more Shares (and more Options) will be issued in connection with the SPP on the basis of the lower SPP Offer Price.

By way of example, if the volume weighted average price of Shares over the five trading days up to the SPP Closing Date is \$0.20, a 2.5% discount to that price is \$0.195. If the SPP is fully subscribed (up to \$2,000,000) and the SPP Offer Price is \$0.195, then:

- (c) 10,256,410 new Shares would be issued under the SPP; and
- (d) up to approximately 5,128,205 Options would be issued under the SPP (subject to rounding).

No more than \$2,000,000 worth of new Shares (at the SPP Offer Price) will be issued under the SPP.

The offer of Options to SPP Option Subscribers (the **SPP Option Offer**) is being made in this Prospectus.

3.5 Use of funds

Cynata intends to use the funds raised under the Capital Raising as follows (assuming the SPP is fully subscribed):

Uses	
Phase 2 aGvHD clinical trial	\$6.0 million
Working capital	\$0.5 million
Costs of the Capital Raising	\$0.5 million
Total	\$7.00m

3.6 The Offers and Subscribers

The Unconditional Placement Offer, Director Placement Offer and SPP Option Offer together comprise the **Offers**.

Unconditional Placement Subscribers, Director Placement Subscribers and SPP Option Subscribers are referred to as the **Subscribers**.

3.7 Conditional Offers

The issue of Options under the Director Placement Offer and SPP Option Offer are conditional on Shareholder approval at the Meeting. The Meeting is expected to be held on 25 May 2023.

Further details on the Meeting can be found in the Notice of Meeting to be lodged with ASX on or around 24 April 2023.

In the event that the Director Placement Offer or SPP Option Offer are not approved by Shareholders at the Meeting:

- the Directors who participate in the Director Placement will not receive Shares or Option under the Director Placement; and/or
- the Eligible Shareholders who participate in the SPP will receive Shares under the SPP (issued without a disclosure document) but will not receive Options under this Prospectus.

3.8 SPP Shortfall Offer

Where the SPP Shortfall Offer exceeds the Company's available placement capacity, the SPP Shortfall Shares (and attaching Options) will only be placed if Shareholder approval is obtained at the Meeting.

3.9 No general public offer

There is no general public offer of Options under this Prospectus.

3.10 Terms of Options

Each Option offered under this Prospectus will have the same terms. The Options will have an exercise price of \$0.30 and expire on 1 April 2025.

Upon exercise, each Option will entitle the holder to one ordinary fully paid Share.

The terms of issue of the Options are set out in Section 6.1 below.

3.11 Ranking of Shares on exercise of Options

All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.2 for further information regarding the rights and liabilities attaching to the Shares.

3.12 Minimum and maximum subscription

There is no minimum subscription under the Offers.

No person may apply for (and the Company will not issue) Options under the Offers in excess of the person's entitlement to Options.

3.13 Consideration payable

The Options offered under this Prospectus will be issued to the Subscribers for nil cash consideration. Accordingly, the Company will not raise any proceeds by the issue of Options under this Prospectus.

3.14 Non-renounceable Offer

The Offers are non-renounceable. Accordingly, a Subscriber may not sell or transfer all or part of their entitlement to subscribe for Options.

3.15 Rounding

In the event that a person is entitled to a fraction of an Option, that fractional entitlement will be rounded up.

3.16 Lead Manager and underwriting

The Placement is being lead managed by the Lead Manager. The Placement and SPP (and the Offers) are not underwritten.

See Section 8.9 for details of the fees payable to the Lead Manager.

4 HOW TO APPLY

4.1 How to apply for Options

If you are eligible to subscribe for Options pursuant to the Unconditional Placement Offer, Director Placement Offer or SPP Option Offer and wish to subscribe, please complete an Application Form which accompanies this Prospectus (and which will be provided to you by the Company, the Lead Manager or the Share Registry).

If you are participating in the SPP Option Offer, details of how to pay for your Shares under the SPP are included in the SPP offer booklet.

If the number of Options subscribed for is more than the number of Options to which the relevant Subscriber is entitled under the Unconditional Placement Offer, Director Placement Offer or SPP Option Offer, CYP reserves the right to accept it in respect of the lesser number of Options to which the Subscriber is entitled. Once an application has been made it cannot be revoked. No notice of acceptance of an application will be provided.

Completed Application Forms must be received, in accordance with the instructions on the Application Form, by no later than the Closing Date (or the SPP Shortfall Offer Closing Date, defined below).

4.2 Offer Period

The Offers will open on 19 April 2023 (**Opening Date**).

Applications for Options under the Offers close on 8 May 2023 (**Closing Date**), other than in respect of the SPP Shortfall Offer, which will close 3 months after the date of the Meeting (**SPP Shortfall Offer Closing Date**).

The Opening Date and Closing Date for the Offers are indicative only and subject to change without notice. The Company may vary these dates, including to close the Offers early or extend the Closing Date, at any time prior to the issue of Options under the Offers (subject to the Corporations Act and ASX Listing Rules). The Company may also accept late applications at its discretion.

If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the Opening Date.

4.3 Withdrawal

Subject to the Corporations Act, the ASX Listing Rules and any other requirements of ASX or the law, the Directors may decide to withdraw this Prospectus and the Offers at any time prior to the allotment of Options or to waive strict compliance with any provision of the terms and conditions of the Offers.

4.4 ASX quotation

The Company will apply to ASX for quotation of the Options and accordingly the Options will be quoted on ASX (subject to meeting ASX's conditions for quotation, including ASX's minimum spread requirements).

If the Options are not quoted within 3 months of the Prospectus Date, the Offers under this Prospectus will not proceed.

The Company will apply for quotation of the Shares issued on exercise of the Options in accordance with the terms of issue of the Options (see Section 6.1).

The fact that ASX may grant official quotation to the Options or Shares is not to be taken in any way as an indication of the merits of the Company, the Options or the Shares.

4.5 Allotment and Option holding statements

The Company anticipates issuing Options subscribed for under the Offers on or around 31 May 2023 (subject to Shareholder approval).

Holding statements for Options issued under the Offers will be mailed as soon as reasonably practicable after the Options are issued.

4.6 Enquiries

Any questions concerning the Offers should be directed to the Company Secretary on +61 8 6377 8043.

5 PURPOSE AND EFFECT OF THE OFFERS

5.1 Purpose of the Offers

The Offers are being made in accordance with the Company's announced intention to offer free attaching Options to Subscribers under the Unconditional Placement, Director Placement, SPP and SPP Shortfall Offer.

No funds will be raised from the Offers.

5.2 Effect of the Offers

The principal effect of the Offers, assuming all Options offered under the Prospectus are subscribed for and granted, will be to issue:

- (a) up to approximately 11,405,604 Options under the Unconditional Placement Offer;
- (b) up to approximately 320,348 Options under the Director Placement Offer; and
- (c) up to approximately 4,651,163 Options under the SPP Option Offer, assuming the SPP Offer Price is the same as the Offer Price under the Placement (\$0.215).

One Option will be offered for every two Shares issued under the SPP. The final number of Shares issued under the SPP (and hence the final number of Options) will depend on the level of applications received under the SPP and the SPP Offer Price. The SPP Offer Price is described in Section 3.1(k) above.

Assuming the SPP is fully subscribed (up to \$2,000,000) and the SPP Offer Price is the Offer Price under the Placement (\$0.215), up to approximately 4,651,163 Options will be issued under the SPP Option Offer.

In the event that all of the Options offered under this Prospectus are issued, and the SPP Offer Price is the Offer Price under the Placement (\$0.215), the Company will issue a total of approximately 16,377,115 Options under the Offers (and 16,377,115 Shares if all of the Options are exercised).

See Section 5.9 for further details on the effect of the Offers on the capital structure of the Company.

5.3 Use of proceeds raised from the exercise of Options

The issue and exercise of all of the Options offered under this Prospectus would involve the Company raising a total of approximately \$4,913,134.50 by the issue of approximately 16,377,115 Shares.

The Company intends to use the proceeds of the exercise of the Options to:

- (a) fund the Company's clinical trial program; and
- (b) provide the Company with additional working capital.

5.4 Pro-forma Balance Sheet

This section contains a summary of the historical financial information for the Company as at 31 December 2022 (**Historical Financial Information**) and a pro-forma balance sheet as at 31 December 2022 (**Pro-Forma Balance Sheet**) (collectively, **Financial Information**).

The Pro-Forma Balance Sheet has been prepared on the basis of the following key assumptions:

- (a) an amount of \$4,904,408 is raised by the issue of 22,811,202 Shares under the Unconditional Placement;
- (b) an amount of \$137,749 is raised by the issue of 640,694 Shares under the Director Placement;
- (c) an amount of \$2,000,000 is raised by the issue of 9,302,325 Shares under the SPP;
- (d) all Options offered under the Prospectus are subscribed for and granted; and
- (e) all of the resolutions in the Meeting in connection with the Company's issue of Shares and Options are approved by Shareholders.

The Financial Information has been prepared to illustrate the effect of the Offers.

Balance Sheet	31 December 2022	Pro-Forma 31 December 2022
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	16,411,648	23,157,000
Other receivables	157,357	157,357
Prepayments	1,681,684	1,681,684
Total current assets	18,250,689	24,996,041
Non-current assets		
Intangibles	2,272,582	2,272,582
Total non-current assets	2,272,582	2,272,582
Total assets	20,253,271	27,268,623
Liabilities		
Current liabilities		
Trade and other payables	1,244,282	1,244,282
Provisions	234,124	234,124
Total current liabilities	1,478,406	1,478,406
Total liabilities	1,478,406	1,478,406
Net assets	19,044,865	25,790,217
Equity		
Issued capital	74,900,251	81,747,188
Option reserves	7,609,226	7,906,226
Foreign currency translation reserve	4,724	4,724
Accumulated losses	(63,469,336)	(63,570,921)
Total equity/(deficiency)	19,044,865	25,790,217

5.5 Basis of preparation of financial information

The stated basis of preparation for the Historical Financial Information is in accordance with the recognition and measurement principles of the Australian Accounting Standards.

The stated basis of preparation for the Pro-Forma Balance Sheet is in a manner consistent with the recognition and measurement principles of the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 5.6, as if those events or transactions had occurred as at 31 December 2022.

5.6 Pro-forma adjustments to consolidated balance sheet

The Pro-Forma Balance Sheet has been derived from the Historical Financial Information and has been prepared on the basis that the Unconditional Placement, Director Placement, SPP and the Offers occurred as at 31 December 2022 and assumes an allotment of 32,754,221 Shares at the Offer Price of \$0.215 to raise gross proceeds of approximately \$7,042,157.52 (before costs).

5.7 Effect on control

The Offers will not have a material impact on the control of the Company (as defined in section 50AA of the Corporations Act).

The maximum number of Options proposed to be issued under the Offers are up to approximately 16,377,115 Options, assuming the SPP is fully subscribed at the SPP Offer Price of \$0.215.

Assuming that all Options are issued under the Offers and all of the Shares are issued under the Placement, Director Placement and SPP (noting that the Options are free attaching to the Shares), a total of:

(a) 176,030,815 Shares; and

(b) 23,677,115 Options,

will be on issue and the Options on issue will represent 13.45% of the total number of Shares on issue at the time.

5.8 Substantial holders

Based on the most recent filings and the Company's share register, the persons who (together with their Associates) will have a relevant interest in 5% or more of the Company's Shares (assuming completion of the Capital Raising and no acquisitions or disposals of Shares from the Prospectus Date until completion) are set out below:

Shareholder	Shares at Prospectus Date	%	Shares on completion of Capital Raising	%
Bioscience Managers	14,285,715	10.33%	23,588,040	13.40%
FIL Investment Management (Hong Kong) Limited	14,303,287	9.98%	16,636,586	9.45%

Shareholder	Shares at Prospectus Date	%	Shares on completion of Capital Raising	%
Fujifilm Corporation	8,088,403	5.65%	8,088,403	4.59%

5.9 Effect on Capital Structure

Assuming the requisite Shareholder approvals at the Meeting and the subsequent completion of the issue of:

- (a) 22,811,202 Shares under the Unconditional Placement, together with the issue of 11,405,601 Options under the Unconditional Placement Offer;
- (b) a total of 640,694 Shares under the Director Placement, together with the issue of 320,348 Options under the Director Placement Offer;
- (c) 9,302,325 Shares under the SPP, together with the issue of 4,651,163 Options under the SPP Option Offer,

on completion of the Capital Raising the capital structure of the Company will comprise:

- (d) on an undiluted basis:
 - (i) 176,030,815 Shares;
 - (ii) 7,300,000 unlisted options; and
 - (iii) 16,377,115 Options,
- (e) on a fully diluted basis (assuming exercise of all of the unlisted options and Options), 199,707,930 Shares.

6 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Options

Each option (**Option**) issued by the Company entitles its holder to subscribe for one fully-paid ordinary share in the capital of the Company (**Share**) on the following terms and conditions.

- (a) The Options are exercisable at a price of 30 cents (\$0.30) each at any time from the date of issue of the Options up to their expiry on 1 April 2025 (inclusive) (**Option Exercise Period**), but not thereafter.
- (b) Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**).
- (c) No amount is payable on issue of the Options.
- (d) The Company must give each Option holder a holding statement or confirmation stating:
 - (i) the number of Options issued to the Option holder;
 - (ii) the exercise price of the Options; and
 - (iii) the date of issue of the Options and the Option Expiry Period.
- (e) The Company will maintain a register of holders of Options in accordance with section 168(1)(b) of the *Corporations Act 2001* (Cth).
- (f) The Options will be fully transferrable, subject to registration of the transfer by the Company. For such time as the Company is listed, the Listing Rules of the ASX will apply to the Options.
- (g) The Company will apply for quotation of the Options on ASX.
- (h) Options do not carry any dividend entitlement until they are exercised. Subject to the Constitution, Shares issued on exercise of Options rank equally with other issued Shares from the date they are issued by the Company.
- (i) An Option holder is not entitled to participate in any new issue of securities to existing Shareholders unless the Option holder has exercised its Options before the record date for determining entitlements to the new issue of securities and participates as a result of holding Shares.
- (j) If the Company is listed on ASX, the Company must give an Option holder, if required by the Listing Rules, notice of:
 - (i) the proposed terms of the issue or offer proposed under paragraph (h); and
 - (ii) the right to exercise the Option holder's Options under paragraph (h).
- (k) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable is increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for determining entitlements to the issue, in accordance with the Listing Rules.
- (l) If the Company makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of

dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the Company may elect to reduce the exercise price of each Option in accordance with the Listing Rules.

- (m) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option holder (including the number of Options to which each Option holder is entitled and the exercise price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (n) Any calculations or adjustments which are required to be made under these Option Terms of Issue will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option holder.
- (o) The Company must within a reasonable period give to each Option holder notice of any change under paragraphs (k) to (m) (inclusive) to the exercise price of any Options held by an Option holder or the number of Shares for which the Option holder is entitled to subscribe on exercise of an Option.
- (p) When exercising Options, an Option holder must give the Company or its share registry a Notice of Exercise of Options form (to be provided by the Company or share registry), together with payment of the exercise monies payable to the Company in connection with the Options being exercised (being \$0.30 per Option).
- (q) The Options are exercisable on any business day during the Option Exercise Period. An Option holder may only exercise Options in multiples of 50,000, unless the Option holder exercises all of its Options.
- (r) If an Option holder exercises less than the total number of its Options, the Company must issue the Option holder a new holding statement for the remaining number of Options held by the Option holder.
- (s) Options will be deemed to be exercised on the date that the Notice of Exercise of Option Form is received by the Company in accordance with paragraphs (p) and (q). The Company shall within 5 business days after the receipt of such Notice and cleared funds, issue Shares in respect of the Options exercised and dispatch a shareholder statement to the holder.
- (t) The Company will apply to ASX for official quotation of the Shares issued on exercise of the Options.
- (u) If required by the Listing Rules, the Company will advise holders at least 20 Business Days before the impending expiry of their Options and will advise the due date for payment, the amount of money payable on exercise, the consequences of non-payment and such other details as the Listing Rules then prescribe, so as to enable holders to determine whether or not to exercise their Options during the Option Exercise Period.
- (v) These Option Terms of Issue and the rights and obligations of Option holders are governed by the laws of Victoria. Each Option holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria.

6.2 Shares

A summary of the key rights attaching to the Shares is set out below. The provisions of the Constitution relating to the rights attaching to the Shares must be read subject to the Corporations Act, the ASX Listing Rules and ASX Settlement Operating Rules. This summary is not intended to be exhaustive and does not constitute a definitive statement of the rights, liabilities and restrictions attaching to the Shares.

(a) Escrow restrictions

In the event that ASX determines that certain Shares should be classified as 'restricted securities', a Shareholder must not dispose of those restricted securities (and the Company must refuse to acknowledge a disposal) during the applicable escrow period, except as permitted by the ASX Listing Rules. Shareholders who hold restricted securities are taken to have agreed that the restricted securities are kept on the Company's issuer sponsored sub-register and to have a holding lock applied for the duration of the escrow period. Shareholders will not be entitled to participate in any return of capital on restricted securities during the escrow period except as permitted by the ASX Listing Rules.

(b) Proportional takeover

The Constitution contains provisions requiring Shareholder approval in relation to any proportional takeover bid. These provisions will cease to apply unless renewed by Shareholders passing a special resolution by the third anniversary of either the date those rules were adopted by the Company or the date those rules were last renewed in accordance with the Corporations Act.

(c) Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held (with adjusted voting rights for partly paid shares). While the Company is listed on a stock exchange, a question must be decided on a poll if (amongst others) the notice of meeting contains details of the proposed resolution. If the votes are equal on a proposed resolution, the Chairman of the meeting has a casting vote, in addition to his or her deliberative vote.

(d) Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and ASX Listing Rules. The Company must give at least 28 days' written notice of a general meeting. Meetings may be held at a physical venue, using virtual meeting technology, or a combination of both – provided that the Board determines it is reasonable to do so.

(e) Dividends

The Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and decide the method of payment.

(f) Transfer of Shares

Subject to the Constitution and to any restrictions attached to a Shareholder's Shares, Shares may be transferred by proper ASTC transfer (effected in accordance with the ASX Settlement Operating Rules, *Corporations Regulations 2001* (Cth) and ASX Listing Rules) or by a written transfer in any usual form or in any other form approved by the Board and permitted by the Corporations Act and ASX requirements. The Board may decline to register,

or prevent registration of, a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules.

(g) Issues of further Shares

The Board may, subject to the Constitution, Corporations Act and the ASX Listing Rules issue, allot or grant options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

(h) Winding up

If the Company is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares, Shareholders will be entitled to a share in any surplus property of the Company in proportion to the number of Shares held by them. If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or any part of the Company's property and decide how the division is to be carried out as between Shareholders or different classes of Shareholders.

(i) Non-marketable parcels

In accordance with the ASX Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution. A marketable parcel of shares is defined in the ASX Listing Rules and is generally, a holding of shares with a market value of not less than \$500.

(j) Variation of class rights

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under the Constitution, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attached to any class of shares may be varied:

- with the written consent of the holders of 75% of the shares of the class; or
- by a special resolution passed at a separate meeting of the holders of shares of the class.

(k) Preference shares

The Company may issue preference shares including preference shares which are, or at the option of the Company or holder are, liable to be redeemed or converted into ordinary shares. The rights attaching to preference shares are those set out in the Constitution or have been otherwise approved by special resolution of the Company.

(l) Observation rights

Members of the Company with at least 5% of the votes that may be cast at a general meeting may request that an independent person be appointed to observe the conduct of a poll at a general meeting, or scrutinise the outcome of a poll at a general meeting.

(m) Directors

The Constitution contains provisions relating to the rotation of Directors.

(n) Application of ASX Listing Rules

If the ASX Listing Rules prohibit an act being done, then the act must not be done. Nothing in the Constitution prevents an act being done that the ASX Listing Rules require to be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that

act to be done or not to be done (as the case may be). If the ASX Listing Rules require a constitution to contain a provision or not to contain a provision, the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the ASX Listing Rules, the Constitution is deemed not to contain that provision to the extent of that inconsistency.

(o) **Amendment of Constitution**

The Constitution can only be amended by special resolution passed by at least three-quarters of Shareholders present (in person or by proxy, attorney or representative) and entitled to vote on the resolution at a general meeting of the Company.

7 RISK FACTORS

The business activities of the Company are subject to risks and there are many risks which may impact on the Company's future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but many are outside of the control of the Company and cannot be mitigated. There are also general risks associated with any investment. Investors should consider all of these risks before they make a decision whether or not to acquire, and exercise, Options.

The Options offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding to apply for Options pursuant to this Prospectus.

The principal risk factors include, but are not limited to, the following.

7.1 Company-specific risks

(a) Director Placement and Option Offer risks

The Capital Raising involves the Director Placement and the conditional offer of attaching Options to SPP participants, which will be put to Shareholders at the Meeting.

Conditionality of parts of the Capital Raising

There is no certainty that Shareholders will approve the Director Placement (including the Director Placement Offer) or the SPP Option Offer. If the Director Placement is not approved by Shareholders, the Company will not receive the expected proceeds of the Director Placement. If the SPP Option Offer is not approved, those Shareholders who participate in the SPP will not receive attaching Options in connection with the Shares issued to them under the SPP (but will receive the Shares issued under the SPP).

Nature of the Options

The Company will seek to have the Options being offered to participants in the Capital Raising quoted on ASX. In order to be quoted on ASX certain requirements apply, including that there is a minimum spread of 50 Option holders. If the ASX quotation requirements are not met the Option offer may not proceed, in which case no participants in the Capital Raising will receive Options.

There is no certainty that Shares will trade above the Option exercise price and accordingly there is no certainty that Optionholders will realise any value from the Options. In the event that Options are exercised, this will dilute the holdings of existing Shareholders.

(b) Clinical development risk

The nature of clinical drug development is inherently risky, with many drug candidates failing to be successfully developed into marketable products. The Company is currently undertaking clinical trials with certain of its products and plans to undertake trials with additional products in its pipeline. Clinical trials have many associated risks which may impact the Company's commercial potential and therefore its future prospects and profitability. Clinical trials may fail to recruit patients, be terminated for safety reasons, or fail to be completed within acceptable timeframes as a result of delay, which has been particularly pronounced as a result of the COVID-19 pandemic. Clinical trials may reveal drug candidates to be unsafe, poorly tolerated or non-effective. Any of these outcomes will likely have a significant adverse effect on the Company, the value of its securities and the future commercial development of its drug candidates. Clinical trials might also potentially expose

the Company to product liability claims in the event its products in development have unexpected effects on clinical subjects.

(c) **Regulatory risks**

The research, development, manufacture, marketing and sale of products developed by the Company are subject to extensive regulation by multiple government authorities and institutional bodies in Australia and overseas. Pharmaceutical products must undergo a comprehensive and highly regulated development, trial and review process before receiving approval for marketing. The process includes a requirement for approval to conduct clinical trials, and the provision of data relating to the quality, safety and efficacy of the products for their proposed use. There is no guarantee that regulatory approvals to conduct clinical trials and/or to manufacture and market the Company's products will be granted.

If a product is approved, it may also be submitted for cost reimbursement approval to relevant agencies. The availability and timing of that reimbursement approval may have an impact upon the uptake and profitability of products in some jurisdictions. If the Company is unable to secure necessary approvals from regulatory agencies and institutional bodies to undertake its planned trials, market its products and obtain cost reimbursements for its products its future prospects and profitability is likely to be materially and adversely affected.

(d) **Risks associated with partnership model**

The Company is pursuing a license partnership model, which typically involves entering into commercial arrangements with other companies by which Cynata licenses its Cymerus technology to the partner in one or more indications and/or geographies and the partner assumes responsibility for progressing, and paying for, the clinical trials and eventual commercialisation in that indication. This strategy involves the risk that the Company will lose control of the development timetable of its products to its commercial partner, which may give rise to an unanticipated delay in any commercial returns. Further, the Company may be unable to enter into arrangements with suitable commercial partners in respect of relevant indications. If either of these outcomes occurred, the Company's business and operations may be adversely affected.

(e) **Reliance on in-licensed assets**

The Company relies on patents and intellectual property that is in-licensed from Wisconsin Alumni Research Foundation (**WARF**) and Cellular Dynamics International, Inc (now an affiliate of Fujifilm Corporation). These assets are not owned outright by Cynata. The license arrangements contain terms and conditions, including obligations to make certain milestone and royalty payments.

In the event that the Company breaches any of the licence terms and conditions and cannot rectify the breach within an appropriate time, there is a risk that the licence may be terminated and the Company could lose control of its assets. This would have a significant adverse impact on the Company.

(f) **Competition and commercialisation**

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant change. A number of companies, both in Australia and abroad, may be pursuing the development of products that target the same markets and/or diseases that the Company is targeting.

The Company's products may compete with existing products that are already available to customers. The Company may face competition from parties who have substantially greater resources than the Company. Competing products that may emerge may be superior to the Company's products in terms of any or all of price, convenience, safety or efficacy, which would adversely impact the commercial viability of the Company's intended products.

(g) **Dependence upon key personnel**

The Company depends on the talent and experience of its personnel as an important asset. There may be a negative impact on the Company if any of its key personnel leave. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, any key personnel of the Company who leave to work for a competitor may adversely impact the Company. The Company's ability to attract and retain personnel will have a direct impact on its ability to deliver its project commitments. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of the Company.

(h) **Research & Development (R&D) Tax Rebate**

The Company is currently entitled to receive an R&D rebate on part of its expenditure in research and development. There is a risk that the Australian Government may make material changes to the rebate scheme, which may adversely impact the funding available to the Company to fund its operations.

(i) **Intellectual property**

The Company's ability to commercialise products depends substantially upon its ability to protect its intellectual property and any improvements to it. The intellectual property may not be capable of being legally protected, it may be the subject of unauthorised disclosure or be unlawfully infringed, or the Company may incur substantial costs in asserting or defending its intellectual property rights.

(j) **Revenues and profitability**

The Company does not currently generate revenue from product sales nor are revenues anticipated in the short to medium term. and continues to incur significant research and development and other expenses related to its ongoing operations. The Company's ability to achieve both revenues and profitability is dependent on a number of factors, including its ability to execute on its business strategy, complete successful clinical trials, obtain regulatory approval for its products and successfully commercialise those products. There is no guarantee that the Company's products will be clinically or commercially successful.

(k) **Manufacturing risk**

The Company's products are manufactured using a unique, novel and highly specialised manufacturing process. The Company relies on supply and manufacturing relationships with third party contract manufacturing organisations to manufacture its products. An inability of these third party contract manufacturing organisations to continue to manufacture the Company's products in a timely, economical and/or consistent manner, including any scale up of manufacturing processes, or to maintain legally compliant manufacturing to maintain product supply, could adversely impact on the progress of the Company's development programs and potentially on the financial performance of the Company.

7.2 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted shares (and options to acquire quoted shares) regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- For personal use only
- (i) general economic outlook;
 - (ii) introduction of tax reform or other new legislation;
 - (iii) interest rates and inflation rates;
 - (iv) changes in investor sentiment toward particular market sectors;
 - (v) the demand for, and supply of, capital; and
 - (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and pharmaceutical stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Litigation**

There is a risk that the Company may in future be the subject of or required to commence litigation. There is, however, no litigation, mediation, conciliation or administrative proceeding taking place, pending or threatened against the Company.

(d) **Tax risks**

Changes to the rate of taxes imposed on the Company (including in overseas jurisdictions in which the Company operates now or in the future) or tax legislation generally may affect the Company and its Shareholders. In addition, an interpretation of Australian tax laws by the Australian Taxation Office that differs to the Company's interpretation may lead to an increase in the Company's tax liabilities and a reduction in Shareholder returns.

Personal tax liabilities are the responsibility of each individual investor. The Company is not responsible either for tax or tax penalties incurred by investors.

(e) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Capital Raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, its production levels, or scale back its research and development and/or clinical trials as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(f) **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus.

Therefore, the Options to be issued pursuant to this Prospectus (and the underlying Shares) carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

8 ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this prospectus the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company which are likely to have a material adverse effect on the business or financial position of the Company.

8.2 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been provided to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to apply for Options.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with ASIC, being the financial report for the year ending 30 June 2022 lodged on 21 October 2022;
 - (ii) any half year financial report lodged with ASIC by the Company after lodgement of the annual financial report referred to in paragraph (i) and before lodgement of this Prospectus with ASIC, being the half-year financial report for the six months ending 31 December 2022 lodged on 28 February 2023; and
 - (iii) any continuous disclosure documents given by the Company to ASX after the lodgement of the annual financial report referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest full year statutory accounts (on 21 October 2022) and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of Announcement
31/10/2022	Quarterly Activity Report
31/10/2022	Appendix 4C
02/11/2022	New Kidney Transplantation Clinical Trial for Cynata & LUMC
07/11/2022	Appendix 3H
11/11/2022	Notice of Allowance for Cynata US Patent
16/11/2022	Conference Data Demonstrating Consistency of Cynata MSCs
22/11/2022	Company Presentation
22/11/2022	Chairman's Address to Shareholders
22/11/2022	Results of AGM
23/11/2022	Appendix 3G
23/11/2022	Appendix 3Y
05/12/2022	Cynata Receives \$1.65m R&D Tax Incentive Refund
05/01/2023	Appendix 3H
09/01/2023	Notice of Acceptance for Cynata Australian Patent
30/01/2023	Cynata Receives IRB Approval for aGvHD Clinical Trial
31/01/2023	Quarterly Activity Report
31/01/2023	Appendix 4C
06/02/2023	Appendix 3H
28/02/2023	Appendix 4D
28/02/2023	Half-Year Financial Statements
16/03/2023	Cynata Adds New Sites for DFU Clinical Trial
03/04/2023	Appendix 3H
04/04/2023	Trading Halt
06/04/2023	Cynata completes \$5.0m Placement and launches SPP
06/04/2023	Appendix 3B
06/04/2023	Capital Raising Presentation
12/04/2023	Ethics Committee Approval for Proposed aGvHD Phase 2 Trial
17/04/2023	Application for quotation of securities
17/04/2023	Cleansing Notice

The announcements are available at www.asx.com.au and through the Company's website <https://www.cynata.com/cyp-asx-announcements/>.

8.3 Instrument 2016/80

This Prospectus has been prepared, in part, to ensure that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 (**Instrument 2016/80**) is available in respect of the Options. Instrument 2016/80 provides relief from the on-sale provisions of section 707 of the Corporations Act and will relieve the need for any further disclosure to be made prior to the on-sale of Shares issued following the exercise of Options, within 12 months of their date of issue. Shares issued on exercise of the Options will be able to be immediately traded on ASX (subject to the grant of quotation).

8.4 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgment of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

8.5 Security holdings of Directors

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with the number of Shares and Options to be issued to each Director under the Director Placement (subject to Shareholder approval) is set out in the table below.

DIRECTOR	SHARES AT PROSPECTUS DATE	%	OPTIONS	DIRECTOR PLACEMENT SHARES	DIRECTOR PLACEMENT OPTIONS
Dr Geoffrey Brooke (Chairman, Non-Executive Director)	117,809	0.08%	2,300,000	139,534	69,767
Dr Ross Macdonald (Managing Director, Chief Executive Officer)	2,070,050	1.44%	1,500,000	55,813	27,907
Dr Darryl Maher (Non-Executive Director)	-	-	300,000	50,000	25,000
Ms Janine Rolfe (Non-Executive Director)	-	-	300,000	116,279	58,140

DIRECTOR	SHARES AT PROSPECTUS DATE	%	OPTIONS	DIRECTOR PLACEMENT SHARES	DIRECTOR PLACEMENT OPTIONS
Dr Stewart Washer (Non-Executive Director)	2,284,856	1.59%	300,000	139,534	69,767
Dr Paul Wotton (Non-Executive Director)	175,577	0.12%	300,000	139,534	69,767

8.6 Remuneration of Directors

Please refer to the Remuneration Report, which is contained on pages 22 to 35 of the Company's Annual Report for the financial year 1 July 2021 to 30 June 2022, for full details of the remuneration of the Company's executive and non-executive directors.

The typeset Annual Report was lodged with ASX on 21 October 2022 and is available on the Company's ASX announcements page at: <https://www.cynata.com/cyp-asx-announcements/>.

A hard copy of the Annual Report is also available free of charge by contacting the Company at its registered address using the details in Section 2 of this Prospectus.

8.7 Interests of Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the Offers or a financial services licensee named in this Prospectus as a financial services licensee involved in the Offers,

holds at the date of this Prospectus, or has held within the 2 years preceding lodgment of this Prospectus with ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) the Offers.

8.8 Becketts Lawyers

Becketts Lawyers has acted as the Australian legal adviser to the Company in relation to the Capital Raising and the Offers (except in relation to stamp duty and taxation matters). The Company has paid or agreed to pay approximately \$35,000 (excluding GST) for these

services in connection with the Offers up to the date of the Prospectus. Further amounts may be payable to Becketts Lawyers in accordance with its time-based charge out rates.

8.9 Lead Manager Mandate Agreement

The Company and the Lead Manager are parties to a mandate letter dated 2 November 2022 (**Mandate Agreement**) by which the Lead Manager agrees to act as lead manager and bookrunner to Placement.

Under the Mandate Agreement, the Lead Manager is entitled to a fee equal to:

- (a) 2.5% of the proceeds of the Placement subscribed for by Bioscience Managers (the proceeds of which are \$2.0 million);
- (b) 5.0% of the proceeds of the balance of the Placement (the proceeds of which are \$3.04 million);
- (c) 5.0% of the proceeds of the SPP Shortfall Offer (if any); and
- (d) 2.5% of the proceeds of the exercise of any Options.

The Company agrees to give standard representations and warranties to the Lead Manager in the Mandate Agreement and agrees to provide a standard indemnity for the benefit of the Lead Manager and pay the Lead Manager's reasonable expenses. It also agrees to conduct the Offers in accordance with applicable law.

8.10 Consents

Becketts Lawyers has given, and has not withdrawn prior to the lodgment of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Australian legal adviser (except in relation to stamp duty and taxation matters) in the form and context in which it is named. Becketts Lawyers takes no responsibility for any part of this Prospectus, other than a reference to its name.

Bell Potter Securities Limited has given, and has not withdrawn prior to the lodgment of this Prospectus with ASIC, its written consent to be named in this Prospectus as the lead manager (but not underwriter) of the Placement in the form and context in which it is named. Bell Potter Securities Limited takes no responsibility for any part of this Prospectus, other than a reference to its name.

Automic Pty Ltd has given, and has not withdrawn prior to the lodgment of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Share Registry in the form and context in which it is named. Automic Pty Ltd has not taken part in the preparation of any part of this Prospectus other than the recording of its name as Share Registry. Automic Pty Ltd takes no responsibility for any part of this Prospectus, other than a reference to its name.

8.11 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to include forecast future earnings in this Prospectus.

8.12 Taxation

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of applying for (and exercising) securities under this Prospectus. The Company does not accept any responsibility for any such taxation consequences. Shareholders should consult their professional tax adviser if they have any queries regarding

the taxation consequences of apply for (and exercising) securities offered under this Prospectus.

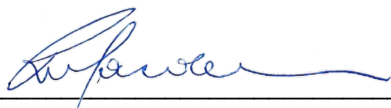
8.13 Governing law

This Prospectus, the Offers and the contracts formed on acceptance of applications under the Offers are governed by the laws applicable in Victoria, Australia. Each applicant for Options submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

8.14 Directors' authorisation

This Prospectus is authorised by each Director, who has given and not withdrawn their consent to the issue of this Prospectus and to its lodgment with ASIC.

Signed for and on behalf of Cynata Therapeutics Limited by being signed by a Director in accordance with section 351 of the Corporations Act:

A handwritten signature in blue ink, appearing to read 'Ross Macdonald', is written over a horizontal line.

Dr Ross Macdonald, Managing Director

GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an individual application form by which participants in the Unconditional Placement Offer, Director Placement Offer and SPP Option Offer apply for Options under this Prospectus.

ASIC means the Australian Securities and Investments Commission.

Associate has the same meaning as in the ASX Listing Rules.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Bioscience Managers means Phillip Asset Management Limited as trustee for Bioscience Managers Translation Fund 1.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except public holidays and any other day that ASX declares is not a business day.

Capital Raising has the meaning given in Section 3.1.

Closing Date means the date specified in Section 4.2 (unless extended).

Constitution means the constitution of the Company as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

CYP or the **Company** means Cynata Therapeutics Limited (ACN 104 037 372).

Director means a director of the Company.

Director Placement has the meaning given to that term in Section 3.1(e).

Director Placement Offer has the meaning given to that term in Section 3.3.

Director Placement Subscribers has the meaning given to that term in Section 3.3.

Eligible Shareholders, in relation to the SPP, has the meaning given in clause 3.1(j).

Lead Manager means Bell Potter Securities Limited.

Meeting means the Extraordinary General Meeting of Shareholders, to be held on 25 May 2023.

Offer means the Unconditional Placement Offer, Director Placement Offer and SPP Option Offer (or any of them, as the case requires).

Offer Price means \$0.215 per Share.

Option has the meaning given to that term in Section 3.1(n).

Placement means the Unconditional Placement and the Director Placement.

Prospectus means this prospectus (as may be replaced or supplemented).

Prospectus Date means the date of this prospectus, being 17 April 2023.

Section means a section contained in this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Automic Pty Ltd.

SPP or **Share Purchase Plan** means the Company's share purchase plan dated on or about the date of this Prospectus.

SPP Offer Price has the meaning given to that term in Section 3.1(k).

SPP Option Offer has the meaning given to that term in Section 3.4.

SPP Option Subscribers has the meaning given to that term in Section 3.4.

SPP Record Date means 7.00pm (Melbourne time) on 5 April 2023.

SPP Shortfall means the difference between \$2,000,000 worth of Shares (at the SPP Offer Price) and the value of valid applications received from eligible Shareholders under the SPP, calculated at the SPP Offer Price.

SPP Shortfall Offer means the offer of SPP Shortfall Shares and free attaching Options made pursuant to this Prospectus.

SPP Shortfall Shares means the number of shortfall Shares in connection with the SPP, calculated as the SPP Shortfall divided by the SPP Offer Price.

Subscribers means the Unconditional Placement Subscribers, Director Placement Subscribers or SPP Option Subscribers (or any of them, as the case requires).

Unconditional Placement has the meaning given to that term in Section 3.1(d).

Unconditional Placement Offer has the meaning given to that term in Section 3.2.

Unconditional Placement Subscribers has the meaning given to that term in Section 3.2.

APPLICATION FORM FOR SPP AND SPP OPTION OFFER PARTICIPANTS

For personal use only

[EntityRegistrationDetailsLine1Envelope]

[EntityRegistrationDetailsLine2Envelope]

[EntityRegistrationDetailsLine3Envelope]

[EntityRegistrationDetailsLine4Envelope]

[EntityRegistrationDetailsLine5Envelope]

[EntityRegistrationDetailsLine6Envelope]

SRN/HIN: [HolderNumberMasked]

ASX Code: CYP

Record Date: 7:00pm (AEST), 5 April 2023

SPP AND SPP OPTION OFFER APPLICATION FORM

IMPORTANT: SPP AND SPP OPTION OFFER CLOSSES 5:00PM (AEST) ON MONDAY, 8 MAY 2023 (UNLESS VARIED)

1: SUBSCRIPTION

This Offer entitles each Eligible Shareholder in Cynata Therapeutics Limited (ASX:CYP) (Cynata Therapeutics Limited or the **Company**) to subscribe through the Company's Share Purchase Plan (**SPP**) for a maximum of \$30,000 worth of fully paid ordinary shares in the Company (**New Shares**) with one free attaching option (**Option**) for every two New Shares subscribed for under the SPP via the **SPP Option Offer**. The Options will be exercisable at \$0.30 (30 cents), expiring on 1 April 2025, and the Company will apply for the Options to be quoted on ASX. The Company announced the SPP to raise up to a maximum amount of \$2 million. The SPP is open to all shareholders recorded as holding fully paid ordinary shares (**Shares**) on the Company's Register as at the Record Date with a registered address in Australia or New Zealand. The issue price of the New Shares will be the lower of: (1) \$0.215 and (2) a price representing a 2.5% discount to the volume weighted average price of Shares during the five trading days up to and including the Closing Date of the SPP, rounded to the nearest half cent (**SPP Offer Price**). Eligible Shareholders may subscribe for any one of the following parcels (subject to a maximum band or any scale back) described below by paying the applicable Subscription Amount in accordance with the payment instructions in section 2 of this Application Form.

This Application Form, which is enclosed with the Prospectus, also relates to the application for Options under the SPP Option Offer.

	Application Amount	Number of New Shares at assumed SPP Offer Price of \$0.215	Number of attaching Options under SPP Option Offer
Offer A	\$30,000	139,535	69,768
Offer B	\$20,000	93,024	46,512
Offer C	\$15,000	69,768	34,884
Offer D	\$10,000	46,512	23,256
Offer E	\$7,500	34,884	17,442
Offer F	\$5,000	23,256	11,628
Offer G	\$2,500	11,628	5,814
Offer H	\$1,000	4,652	2,326

No fractions of Shares will be issued. Any fraction of a Share will be rounded up to the nearest whole number of Shares (where applicable).

2: PAYMENT - You can pay either by BPAY® or Electronic Funds Transfer "EFT"

Payment under the Share Purchase Plan can only be made by BPAY® or EFT.

Option A – BPAY®



Biller Code: 408674

Ref No: [BPayCRN]

Contact your financial institution to make your payment from your cheque or savings account.

Note: You do not need to return this form if you have made payment via BPAY® or EFT. Your BPAY® reference number or unique reference number will process your payment for your application for New Shares electronically.

Option B – Electronic Funds Transfer (EFT)

The unique Payment Reference which has been assigned to your Application is: [HolderId]-7078-XXX

Funds are to be deposited directly to following bank account:

Account name: Automic Pty Ltd

Account BSB: 036051

Account number: 589315

Swift Code: WPACAU2S

IMPORTANT: You must quote your unique payment reference as your payment reference/ description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and shares subsequently not issued.

3: Elect to receive email communication

Return to Automic Group by email to corporate.actions@automicgroup.com.au

Telephone Number

()

Contact Name (PLEASE PRINT)

CYP-[HolderId]

Please insert your email address if you wish to elect to be an e-Shareholder, and you consent to receiving communications from the Share Registry

As a valued shareholder in Cynata Therapeutics Limited, the Company encourages shareholders to elect to receive their shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way and reduce the environmental footprint of printing and mailing.

INSTRUCTIONS FOR COMPLETION OF THIS FORM

The right to participate in the SPP and SPP Option Offer is optional and is offered exclusively to all Shareholders (including Custodians) who are registered as holders of fully paid ordinary shares in the capital of the Company on the Record Date with a registered address in Australia or New Zealand, or as otherwise determined by the Board (**Eligible Shareholders**).

If the Company rejects or scales-back an application or purported application, the Company will return to the Shareholder the relevant application monies, without interest.

HOW TO APPLY FOR NEW SHARES UNDER THE SPP AND OPTIONS UNDER THE SPP OPTION OFFER

1 Subscription

As an Eligible Shareholder, you can apply for up to a maximum of \$30,000 worth of Shares with one free attaching option (**Option**) for every two New Shares subscribed for under the SPP via the SPP Option Offer made pursuant to the Prospectus. Eligible Shareholders can select one of the parcels prescribed overleaf.

In order to comply with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, the maximum value of New Shares each Eligible Shareholder (irrespective of the size of their shareholding) may apply for under the SPP is \$30,000 (including through joint holding(s), multiple share accounts or any holding in which they have a beneficial interest/s). This limit will apply even if you receive more than one offer from the Company (for example, because you are a joint holder of Shares or because you hold more than one shareholding under separate share accounts).

If the Company receives an amount that does not equal one of the amounts specified overleaf the Company may accept the payment at their discretion and refund any excess application money (without interest) to the Eligible Shareholder. If the Company receives a subscription of over \$30,000 worth of New Shares by an Eligible Shareholder through multiple applications or joint holdings, the Company may refund any excess application money (without interest) to the Eligible Shareholder.

Any application made under the SPP Offer and SPP Option Offer is not guaranteed to result in the Eligible Shareholder receiving any New Shares or Options that have been applied for. Applications may be scaled back at the absolute discretion of the Company.

2 Payment

By making a payment via BPAY or EFT, you agree that it is your responsibility to ensure that funds are submitted correctly and received by Automic Share Registry by the closing date and time. Payment must be received by the Share Registry by 5:00pm (AEST) on Monday, 8 May 2023.

It is your responsibility to ensure your CRN or unique Payment Reference is quoted, as per the instructions in Section 2. If you fail to quote your CRN or unique Payment Reference correctly, Automic may be unable to allocate or refund your payment. If you need assistance, please contact Automic.

Payment by BPAY®: You can make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number on this Form. Multiple acceptances must be paid separately.

Payment by EFT: You can make a payment via Electronic Funds Transfer "EFT". Multiple acceptances must be paid separately. Please use your unique reference on this Form. This will ensure your payment is processed correctly to your application electronically.

If you make a payment by BPAY® or EFT and the Company receives an amount which is not equal to either \$30,000, \$20,000, \$15,000, \$10,000, \$7,500, \$5,000, \$2,500 or \$1,000 the Company may accept the payment at their discretion. Your payment must be for a minimum of \$1,000.

Applicants should be aware of Automic's financial institution's cut off-time, their own financial institution's cut-off time and associated fees with processing a funds transfer. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time, including taking into account any delay that may occur as a result of payments being made after 5pm (AEST) and/or on a day that is not a business day (payment must be made to be processed overnight). You do not need to return this Form if you have made payment via BPAY® or EFT. Your reference number will process your payment to your application electronically and you will be deemed to have applied for such shares for which you have paid.

SPP OPTION OFFER

This Application Form is an application form for the issue of Options by Cynata Therapeutics Limited under the SPP Option Offer made pursuant to the Prospectus (which this Application Form accompanies). The Prospectus is available on the Company's website (www.cynata.com) and by calling the Company Secretary on (08) 6377 8043. The terms of issue of the Options are set out in Section 6.1 of the Prospectus.

By making payment for New Shares by BPAY or EFT you will be deemed to have applied for the number of Options appropriate for the parcel of New Shares applied for under the accompanying Prospectus (on the basis of one Option for every two New Shares applied for under the SPP). If you wish to apply for New Shares under the SPP but not attaching Options, you should contact the Company Secretary on (08) 6377 8043. You should consider the Prospectus before making an application.

The SPP Option Offer is conditional on Shareholder approval at the Meeting expected to be held on 25 May 2023. If the SPP Option Offer is not approved, participants in the SPP will not receive any attaching Options in connection with the Shares issued to them, but will receive the Shares applied for under the SPP.

IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase New Shares under the SPP or Options under the SPP Option Offer, there is no need to take action.
3. Please ensure you have read and understood the terms and conditions of the SPP in the Offer Booklet accompanying this Application Form, and the Prospectus accompanying this Application Form in respect of the SPP Option Offer and this section entitled "Important Information" before making payment by BPAY® or EFT.
4. The offer of New Shares under the SPP and options under the SPP Option Offer is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the meaning of "Custodian" as defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, you must complete and submit an additional certificate that contains further certifications and details (**Custodian Certificate**) that must be provided before your application will be received. The Custodian Certificate can be obtained by contacting the Share Registry on the telephone number set out below. Applications received by Custodians that are not accompanied by the Custodian Certificate will be rejected. A completed Custodian Certificate must be emailed to: custodialcertificates@automicgroup.com.au, failure to do so will result in the Application being rejected.
6. For applicants that are not required to complete the Custodian Certificate, by making payment by BPAY® or EFT, you certify that the aggregate of the payment paid by you for:
 - the parcel of New Shares indicated on this Application Form or BPAY® or EFT; and
 - any other Shares applied for by you, or which you have instructed a custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to making payment by BPAY® or EFT does not exceed A\$30,000.
7. The maximum subscription limitation of A\$30,000 will apply even if you have received more than one Application Form (whether in respect of a joint holding or because you have more than one holding under separate security accounts).
8. You are not guaranteed to receive any New Shares or Options that you have applied for and the Company may, in its absolute and sole discretion:
 - scale back any applications made; and
 - reject your application, without limit.
9. By making payment of application monies, you certify that:
 - you wish to apply for New Shares under the SPP and Options under the Prospectus as indicated on this Application Form and acknowledge that your application is irrevocable and unconditional;
 - you received a copy of the Offer Booklet and the Prospectus and you have read and understood the terms and conditions of the SPP and SPP Option Offer;
 - you agree to be bound by the Constitution of the Company and the terms and conditions in the Offer Booklet and the Prospectus;
 - you agree to accept any lesser number of New Shares and Options than the number of Shares and Options applied for; and
 - you are not in the United States and are not acting for the account or benefit of a person in the United States and have not sent any offering materials relating to the SPP Offer or SPP Option Offer to any person in the United States.

If you require further information about the Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 8:30am and 5:00pm (AEST).