Appendix 4E

Annual financial report for the year ended 30 June 2025

1. Details of reporting period

Name of entity	Cynata Therapeutics Limited (the Company)
ABN	98 104 037 372
Reporting Period	**Year ended 30 June 2025**
Previous Corresponding Period	Year ended 30 June 2024
Presentation Currency	Australian Dollars ($)

2. Results for announcement to the market

Key information	30 June 2025 $	30 June 2023 $	Increase/ (decrease) %	Amount change $
Revenues from ordinary activities	2,112,839	2,733,353	(22.70%)	(620,514)
Loss from ordinary activities after tax attributable to members	9,390,586	9,744,709	(3.63%)	(354,123)
Net loss for the period attributable to members	9,390,586	9,744,709	(3.63%)	(354,123)
Net tangible asset per share	0.018	0.030	-	-

3. Consolidated statement of profit or loss and other comprehensive income

Refer to attached consolidated financial statements.

4. Consolidated statement of financial position

Refer to attached consolidated financial statements.

5. Consolidated statement of cash flows

Refer to attached consolidated financial statements.

6. Consolidated statement of changes in equity

Refer to attached consolidated financial statements.

7. Dividends/Distributions

No dividends declared in current or prior year.

8. Details of dividend reinvestment plans

Not applicable.

9. Details of entities over which control has been gained or lost during the period

Not applicable.

10. Details of associate and joint venture entities

Not applicable.

11. Any other significant information needed by an investor to make an informed assessment of the Company's financial performance and financial position

Refer to attached consolidated financial statements.

12. Foreign entities

Refer to attached consolidated financial statements.

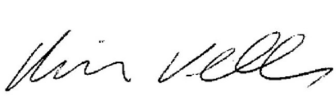
13. Commentary on results for period and explanatory information

Cynata Therapeutics Limited ("Cynata" or the "Company") and its controlled entities ("the Group") incurred a net loss from operations for the financial year ended 30 June 2025 of $9,390,586 (2024: $9,774,709) after accounting for an R&D refund of $1,885,140 (2024: $2,315,643). At 30 June 2025, the Group had a cash balance of $5,049,744 (2024: $6,205,418) and net assets of $5,981,735 (2024: $7,217,235). The net cash outflow from operating activities for the financial year was $8,720,335 (2024: $9,960,561). Cynata is in a phase of significant momentum, with one clinical trial completed during the 2025 financial year and three more progressing towards results in the 2026 financial year. The Phase 1 clinical trial in DFU is complete with CYP-006TK demonstrated to be safe and well tolerated, and positive efficacy data indicating substantially improved wound healing compared to the standard of care control group. The Phase 2 trial in aGvHD is ~85% enrolled with patient recruitment progressing and primary results anticipated during H1 2026. The fully enrolled, 321-patient Phase 3 trial in Osteoarthritis is nearing completion with top-line results anticipated between February and April 2026. Cohort 1 of the Phase 1/2 kidney transplant trial has completed treatment, with DMSB review results expected in Q4 2025. The Company remains well-capitalised with funding runway through mid-2026, covering all key clinical readouts.

For more information, refer to the attached consolidated financial statements.

14. Audit

This report is based on accounts which have been audited. The Auditor's Report contains an unqualified audit opinion with an 'Emphasis of Matter' paragraph drawing attention to a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern. The attached consolidated financial statements have been prepared on a going concern basis. Please refer to note 3.



Dr Kilian Kelly
Managing Director & Chief Executive Officer
28 August 2025

Annual Report
2024/2025

cynata therapeutics

Corporate Directory

Cynata Therapeutics Limited
ACN 104 037 372

Board of Directors

Dr Geoff Brooke
Non-Executive Chair

Dr Kilian Kelly
Managing Director &
Chief Executive Officer

Dr Darryl Maher
Non-Executive Director

Dr Paul Wotton
Non-Executive Director

Ms Janine Rolfe
Non-Executive Director

Company Secretary

Mr Peter Webse

Registered Office and Principal Place of Business

Level 3, 100 Cubitt Street
Cremorne, Victoria 3121

Tel: +61 3 7067 6940
Email: info@cynata.com

Website

www.cynata.com

Auditors

Stantons
Level 2, 40 Kings Park Road
West Perth, Western Australia 6005

Share Registry

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth, Western Australia 6000

Tel: 1300 288 664 (within Australia)
+61 2 9698 5414 (outside Australia)
Fax: +61 8 9321 2337
Email: hello@automic.com.au
Web: www.automic.com.au

Stock Exchange

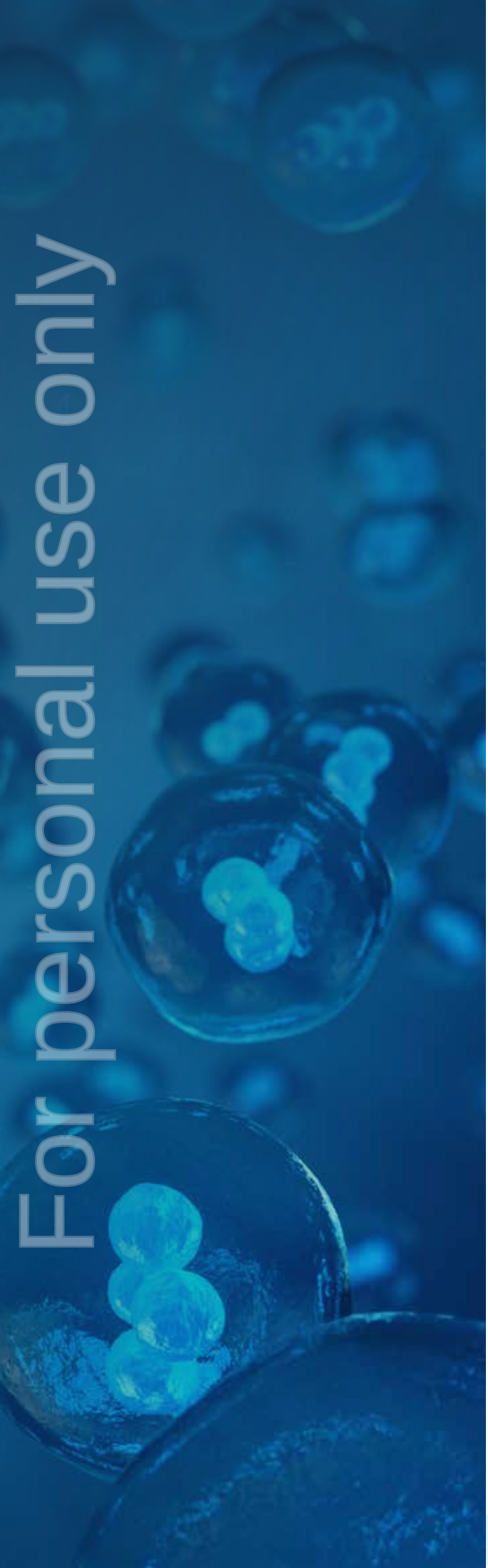
Australian Securities Exchange
Level 50, South Tower, Rialto
525 Collins Street
Melbourne, Victoria 3000

ASX Code

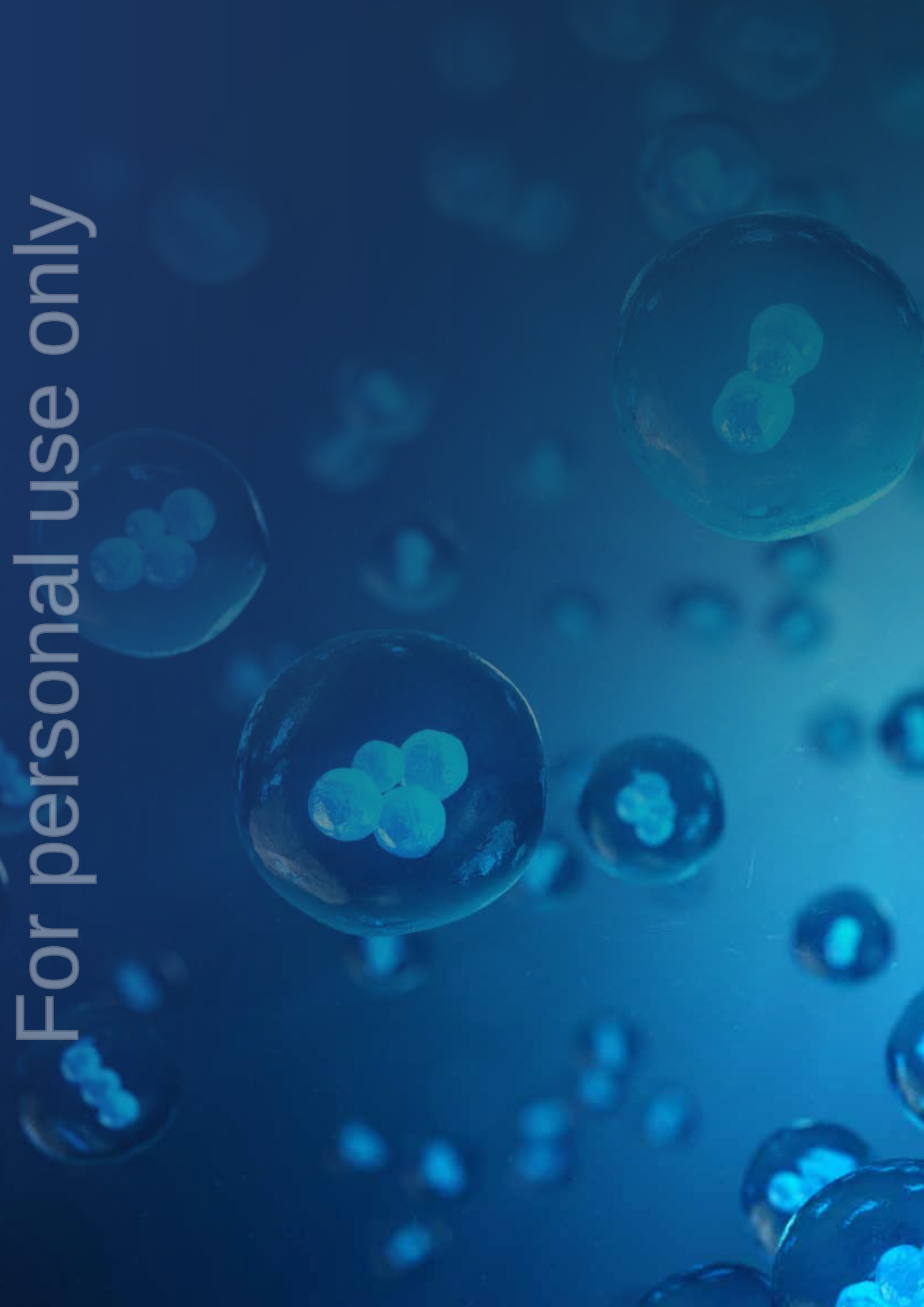
CYP – fully paid ordinary shares

Annual report for the financial year ended

30 June 2025



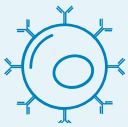
Contents



Key Highlights 2024-2025

Cynata is in a phase of significant momentum, with **one clinical trial completed** during the 2025 financial year, **and three more progressing towards results** in the 2026 financial year

The **Phase 1 clinical trial in DFU is complete**, with CYP-006TK demonstrated to be safe and well tolerated, and **positive efficacy data** indicating substantially improved wound healing compared to the standard of care control group



The **Phase 2 trial in aGvHD is ~85% enrolled**, with patient recruitment progressing and **primary results anticipated** during H1 2026

The fully enrolled, 321-patient **Phase 3 trial in Osteoarthritis is nearing completion** in the coming months, with **top-line results anticipated** between February and April 2026

Cohort 1 of the **Phase 1/2 kidney transplant trial has completed** treatment, with **review results expected** in Q4 2025

Positive efficacy results in preclinical models of pulmonary fibrosis and ischaemic heart disease, supporting potential **expansion into large additional markets**

Scientific paper underlining strengths of Cymerus™ platform relative to conventional manufacturing methods published in leading peer-reviewed journal

Upcoming clinical milestones have the potential to represent **inflection points for valuation, partnering, and product approval** pathways

The Company remains well-capitalised with **funding runway through mid-2026**, covering all key clinical readouts

Chair's Letter

Dear Shareholders,

Cynata is entering what I believe will be the most pivotal year in our history. Within the next 12 months, we expect results from three clinical trials — each with the potential to transform treatment in large, high-need markets and significantly enhance the Company's value.

The market for scalable regenerative medicine solutions is growing rapidly, supported by powerful tailwinds

Our strategy is to develop multiple advanced cell-based therapies for serious diseases with limited or no effective treatment options. These are produced using our globally unique and highly scalable Cymerus manufacturing platform, which creates mesenchymal stem cells (MSCs) from induced pluripotent stem cells (iPSCs). This approach overcomes the manufacturing and consistency challenges that have constrained the industry for decades.

The market for scalable regenerative medicine solutions is growing rapidly, supported by powerful tailwinds: the global maturation of MSC clinical trials, increasing regulatory support through Fast Track and Orphan Drug pathways, and rising demand driven by ageing populations and the burden of chronic disease. Cynata is exceptionally well placed to lead in this environment.

Over the 2025 financial year, the team made strong progress across our pipeline. We reported encouraging results from our Phase 1 diabetic foot ulcer trial and advanced three further clinical programs towards readouts in the coming year. For a company of our size, to be on the verge of delivering results from three separate trials — in acute graft versus host disease, osteoarthritis, and kidney transplantation — is a remarkable achievement. We also advanced our preclinical programs, opening the door to future opportunities in additional major indications.

We believe the true value of our platform and programs will be increasingly recognised as these milestones are achieved. Each program holds promise not only for patients living with these challenging conditions but also for the long-term growth and success of the Company.

On behalf of the Board, I thank our shareholders for their continued support and the entire Cynata team for their commitment to delivering on our vision. The year ahead will be a defining one — and together, we are poised to translate years of innovation into breakthrough results for patients and enduring value for our investors.

Yours sincerely,

Dr Geoff Brooke
Chair

CEO's Letter

The year ahead will see three major trial results — kidney transplantation in Q4 2025, aGvHD in H1 2026, and osteoarthritis in early 2026 — each representing a significant opportunity to drive value creation.

Dear Shareholders,

The 2025 financial year was defined by disciplined execution and significant progress across our portfolio, positioning Cynata for a pivotal year ahead. We advanced every one of our active clinical programs, strengthened our preclinical pipeline, and ensured the financial capacity to deliver on our next set of major milestones.

We successfully completed our Phase 1 clinical trial of CYP-006TK in diabetic foot ulcers. The trial met its primary safety objective and generated strong efficacy data, with substantially greater wound healing than the standard of care, particularly in larger wounds where treatment options are limited. These results have initiated engagement with potential commercial partners and informed our planning for the next stage of development.

Our global Phase 2 trial of CYP-001 in newly diagnosed, high-risk acute graft versus host disease is now approximately 85% enrolled. This program builds on a highly successful Phase 1 trial published in Nature Medicine and is on track to deliver its primary results in the first half of calendar 2026. Meanwhile, the University of Sydney-led Phase 3 trial of CYP-004 in osteoarthritis of the knee completed enrolment of 321 patients. Follow-up is progressing as planned, with final results expected between February and April 2026.

In Europe, the first cohort in our Phase 1/2 kidney transplantation trial at Leiden University Medical Center has completed treatment, with an independent safety review scheduled for the fourth quarter of 2025. This study aims to demonstrate the potential of CYP-001 to reduce the need for long-term immunosuppressive therapy following transplant.

We also advanced our preclinical programs, generating positive efficacy

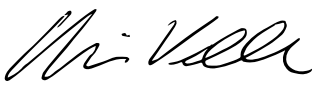
results in models of pulmonary fibrosis and heart attack, and publishing peer-reviewed data confirming that our Cymerus iPSC-derived MSCs are less variable and have functional advantages over MSCs from other sources. These outcomes further strengthen our scientific and manufacturing position.

Financially, we remain well-capitalised, having secured a $1.88 million R&D Tax Incentive rebate and completed an $8.10 million institutional placement during the year. With a cash balance of $5 million at year-end and the 2025 rebate expected shortly, we have a funding runway through to mid-2026 — comfortably covering all upcoming clinical readouts. Furthermore, the At-The-Market subscription agreement announced subsequent to the year end provides the Company with up to $7.5 million of standby equity capital over the next five years, which provides us with additional flexibility. Importantly, two of our late-stage trials are externally funded, allowing us to concentrate our resources on programs with the greatest strategic value.

The year ahead will see three major trial results — kidney transplantation in Q4 2025, aGvHD in H1 2026, and osteoarthritis in early 2026 — each representing a significant opportunity to drive value creation. Our operational focus remains squarely on delivering these milestones on schedule and positioning Cynata to capitalise on positive outcomes.

Thank you for your continued support as we work to translate our innovations into tangible benefits for patients and lasting value for our shareholders.

Yours sincerely,



Dr Kilian Kelly
Chief Executive Officer & Managing Director

Directors' Report

The directors of Cynata Therapeutics Limited ("Cynata" or "the Company") and its controlled entities ("the Group") submit herewith the annual report of the Group for the financial year ended 30 June 2025.

In order to comply with the provisions of the *Corporations Act* 2001, the directors report as follows:

Board of Directors

The names and particulars of the directors of the Group during or since the end of the financial year are:

Dr Geoff Brooke

MBBS, MBA

Independent Chair, joined the Board in May 2019 as Non-Executive Director and appointed Chair on 18 August 2020. Dr Brooke co-founded GBS Venture Partners in 1996 and has more than 30 years' venture capital experience. He was formerly President of Medvest Inc., a US-based early-stage venture capital group he founded with Johnson & Johnson. Dr Brooke's experience includes company formation and acquisitions as well as public listings on NYSE, NASDAQ and ASX exchanges. He is a non-executive director of Acrux Limited (ASX: ACR) and Chair of Actinogen Medical Limited (ASX: ACW) and has been a founder, executive and director of private and public companies. From 2009 until 2015, Dr Brooke was an independent director of the Victoria Workcover Authority. He also works with a number of other entities, including as a consultant to BioScience Managers. Dr Brooke holds a Bachelor of Medicine/ Surgery from Melbourne University and a Masters of Business Administration from IMEDE (now IMD) in Switzerland.

Dr Kilian Kelly

MPharm, PhD, GAICD

Managing Director & Chief Executive Officer as from 1 July 2023. Dr Kelly was appointed as Vice President, Product Development in January 2014 and has since then been a member of Cynata's executive management team. Dr Kelly has served as Senior Director, Drug Development at Biota Pharmaceuticals Inc. Prior to joining Biota, he was Vice President, Regulatory and Clinical at Mesoblast Ltd. Dr Kelly has also held a variety of regulatory and project management positions with Kendle International, Amgen and AstraZeneca. He holds a Masters in Pharmacy from Robert Gordon University, Aberdeen and a PhD in Pharmaceutical Sciences from Strathclyde University, Glasgow. He is a registered pharmacist and a member of the Royal Pharmaceutical Society, a graduate and member of the Australian Institute of Company Directors (AICD), a member of the International Society for Cell and Gene Therapy (ISCT) and the International Society for Stem Cell Research (ISSCR). He also currently serves on the ISCT Asia-Pacific Industry Committee, the ISSCR Best Practices Regulatory Working Group and the Industry Interface Committee of the Centre for Commercialisation of Regenerative Medicine (CCRM) Australia.

Directors' Report (cont'd)

Dr Darryl Maher
MBBS, PhD

Independent Non-Executive Director, joined the Board in June 2020. Dr Maher adds global biopharmaceutical and commercialisation capability to the Cynata board, with over 23 years' experience with CSL Limited. CSL is one of the world's most successful developers of biologic pharmaceutical products and has a market capitalisation of ~A$130 billion. Dr Maher has had a long successful career in pharmaceutical product development, most recently as the former Vice President of R&D and Medical Affairs at CSL Behring Australia where he was responsible for the development of multiple successful drug products from initiation through to clinical development and ultimately to commercialisation. Dr Maher undertook medical training, qualified as a specialist haematologist and completed a PhD before commencing his career in the pharmaceutical industry.

Dr Paul Wotton
MBA, PhD

Independent Non-Executive Director, joined the Board in June 2016. He is the Executive Chairman of the Biotech LaunchPad at Rice University, Houston. He was President and CEO of Obsidian Therapeutics, Founding CEO of Sigilon Therapeutics (acquired by Lilly) and President and CEO of Ocata Therapeutics, Inc. (NASDAQ: OCAT) which was acquired by Astellas in 2016. Prior to Ocata, Dr Wotton had served as President and CEO of Antares Pharma Inc. (NASDAQ: ATRS). Prior to joining Antares, Dr Wotton was the CEO of Topigen Pharmaceuticals. Earlier in his career, he held senior level executive positions at SkyePharma plc, Eurand International BV, Penwest Pharmaceuticals, Abbott Laboratories and Merck, Sharp and Dohme. Dr Wotton is a member of the board of Vericel Corporation (NASDAQ: VCEL), Chairman of Dimension Inx., and Chairman of Kytopen Inc. Dr Wotton received his Ph.D. in pharmaceutical sciences from the University of Nottingham. In 2014, he was named EY Entrepreneur of the Year (NJ) in Life Sciences.

Ms Janine Rolfe
BEc, LLB (Hons), GAICD

Independent Non-Executive Director, joined the Board in September 2022. Ms Rolfe brings more than two decades of legal, governance and management experience across multiple sectors, including highly regulated industries and complex global businesses. Ms Rolfe is a professional non-executive director and currently sits on the boards of Ambertech Limited (ASX: AMO) and Cloudwerx Holdings Pty Ltd.

Ms Rolfe is also a commissioner for the NSW Independent Casino Commission, a statutory authority. Previously, Ms Rolfe was General Counsel & Company Secretary of Link Group. Prior to that, Ms Rolfe founded the governance consultancy, Company Matters, and worked both as in-house counsel at Qantas and in private practice at Mallesons Stephen Jaques (now King & Wood Mallesons).

Directors' Report (cont'd)

Directorships of other listed companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Geoff Brooke	Acrux Limited	Since Jun 2016
	Actinogen Medical Limited	Since Mar 2017
Paul Wotton	Vericel Corporation	Since 2015
Janine Rolfe	Ambertech Limited	Since Sept 2023

Directors' shareholdings

The following table sets out each director's relevant interest in shares, rights or options in shares or debentures of the Company or a related body corporate as at the date of this report:

	Fully paid ordinary shares	Share options
Directors	No.	No.
Geoff Brooke	312,898	2,500,000
Kilian Kelly	797,428	2,750,000
Darryl Maher	116,666	520,000
Paul Wotton	585,076	520,000
Janine Rolfe	255,167	520,000

Remuneration of key management personnel

Information about the remuneration of key management personnel ("KMP") is set out in the remuneration report section of this directors' report. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Options granted to directors and senior management

No options were granted to directors and key management personnel during and since the end of the financial year (2024: 4,210,000).

Company Secretary

Mr Peter Webse held the position of company secretary of Cynata Therapeutics Limited at the end of the financial year. He joined Cynata in April 2012. Mr Webse is a director of Governance Corporate Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services. Mr Webse acts as Company Secretary for a number of ASX listed biotech and technology companies.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors have not recommended the payment of a dividend in respect of the financial year.

Shares under option or issued on exercise of options

Details of unissued shares or interests under option as at the date of this report are:

Issuing entity	Grant date	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Cynata Therapeutics Limited[1]	24 Nov 2020	4,500,000	Ordinary	$0.970	29 Nov 2025
Cynata Therapeutics Limited[2]	11 Oct 2021	1,000,000	Ordinary	$0.890	11 Oct 2025
Cynata Therapeutics Limited[3]	22 Nov 2022	300,000	Ordinary	$0.510	23 Nov 2027
Cynata Therapeutics Limited[4]	30 Jun 2023	2,033,333	Ordinary	$0.176	30 Jun 2028
Cynata Therapeutics Limited[5]	13 Nov 2023	1,910,000	Ordinary	$0.185	20 Nov 2028
Cynata Therapeutics Limited[6]	16 Jan 2024	975,000	Ordinary	$0.195	16 Jan 2029
Cynata Therapeutics Limited[7]	17 Apr 2024	1,800,000	Ordinary	$0.290	17 Apr 2029
Cynata Therapeutics Limited[8]	13 Sept 2024	1,000,000	Ordinary	$0.280	12 Sept 2028
Cynata Therapeutics Limited[9]	1 Oct 2024	1,000,000	Ordinary	$0.300	2 Apr 2026
Cynata Therapeutics Limited[9]	1 Oct 2024	1,000,000	Ordinary	$0.400	2 Apr 2026
Cynata Therapeutics Limited[9]	1 Oct 2024	1,000,000	Ordinary	$0.500	2 Apr 2026
Cynata Therapeutics Limited[10]	10 Jun 2025	500,000	Ordinary	$0.400	10 Sept 2026
Cynata Therapeutics Limited[10]	10 Jun 2025	750,000	Ordinary	$0.500	10 Sept 2026
Cynata Therapeutics Limited[10]	10 Jun 2025	1,750,000	Ordinary	$0.600	10 Sept 2026

[1] Unlisted options issued to Dr Brooke (2,000,000), Dr Macdonald (1,500,000), Dr Washer (300,000), Dr Wotton (300,000), Dr Maher (300,000) and Mr Webse (100,000) on 30 November 2020 pursuant to an Employee Option Acquisition Plan. Dr Macdonald retired from the Board on 30 June 2023 and Dr Washer ceased to be a director on 1 July 2023.

[2] Unlisted options issued to Dr Airey on 11 October 2021 pursuant to an Employee Option Acquisition Plan.

[3] Unlisted options issued to Ms Rolfe on 23 November 2022 in consideration of her agreeing to join the Board and to reward her expected future commitment and contribution as a director.

Directors' Report (cont'd)

[4] Unlisted options issued to Dr Kelly (2,000,000) pursuant to the terms of his appointment on 1 July 2023 as Managing Director & CEO following the retirement of Dr Ross Macdonald. Dr Kelly was previously the Chief Operating Officer of Cynata. Dr Atkins resigned on 13 November 2023 and as a result, 266,667 options were cancelled on his resignation.

[5] Unlisted options issued to Dr Brooke (500,000), Dr Kelly (750,000), Dr Maher (220,000), Ms Rolfe (220,000) and Dr Wotton (220,000) to ensure alignment with shareholders' interests and to maximise Company value.

[6] Unlisted options issued to Dr Airey (500,000), Mr Webse (125,000) and other employees of the Company (350,000) pursuant to an Employee Option Acquisition Plan.

[7] Unlisted options issued to Dr Kroll pursuant to an Employee Option Acquisition Plan.

[8] Unlisted options issued to an external consultant under Cynata Equity Incentive Plan in lieu of payment of fees.

[9] Unlisted options issued to the lead broker of the Institutional Placement pursuant to a Corporate Advisory Mandate. These options were issued for $0.00001 per option and Cynata received $30 cash for these options.

[10] Unlisted options issued to the lead broker of the Institutional Placement pursuant to a Corporate Advisory Mandate. These options were issued for $0.00001 per option and Cynata received $30 cash for these options.

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

Details of shares or interests issued during or since the end of the financial year as a result of the exercise of an option are set out in the table below (2024: 3,150):

Issuing entity	Number of shares issued	Class of shares	Amount paid for shares	Amount unpaid on shares
Cynata Therapeutics Limited	72,917	Ordinary	$0.300	$nil

Directors' meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director. During the financial year, 7 board meetings were held.

	Board of Directors	
Directors	Held	Attended
Geoff Brooke	7	7
Kilian Kelly	7	7
Paul Wotton	7	7
Darryl Maher	7	7
Janine Rolfe	7	7

Indemnification of officers and auditors

The Company indemnifies each of its Directors, Officers and Company Secretary. The Company indemnifies each Director or officer to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where the liability arises out of conduct involving lack of good faith and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a Director or Officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or a contravention of the Corporations Act 2001. The Company must also use its best endeavours to insure a Director of Officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their provision of audit services.

Insurance premiums

During the year, the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Changes in state of affairs

There was no significant change in the state of affairs of the Group during the financial year.

Subsequent events

On 22 August 2025, the Company entered into an At-the-Market Subscription Agreement ("ATM") with Acuity Capital. The ATM provides Cynata with up to $7,500,000 of standby equity capital over the coming five years, to 31 July 2030. Cynata has full discretion as to whether or not to utilise the ATM, the maximum number of shares to be issued, the minimum issue price of shares and the timing of each subscription (if any). Cynata may terminate the ATM at any time, without cost or penalty. As security, the Company has issued 11,500,000 fully paid ordinary shares in the Company at nil cash consideration.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or state of affairs of the Group in future financial years.

Corporate governance

Cynata Therapeutics Limited and the board support and adhere to the principles of corporate governance and are committed to achieving and demonstrating the highest standards of corporate governance. Cynata has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council. The 2025 Corporate Governance Statement is dated 28 August 2025 and reflects the corporate governance practices in place throughout the 2025 financial year. The 2025 Corporate Governance Statement was approved by the board on 28 August 2025. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at www.cynata.com/corporate-governance.

Directors' Report (cont'd)

Environmental regulations

The Group's operations are not subject to significant environmental regulation under the Australian Commonwealth or State law.

Non-audit services

The auditor did not perform any non-audit services during the financial year.

Auditor's independence declaration

The auditor's independence declaration for the financial year ended 30 June 2025 has been received and is included on page 40 of this annual report.

Operating and Financial Review

Principal activities

The Group's principal activities throughout the financial year continued to be the development and commercialisation of a proprietary induced pluripotent stem cell (iPSC)-based platform technology, Cymerus.

Operating results

The consolidated loss of the Group for the financial year, after accounting for an R&D refund of $1,885,140 (2024: $2,315,643) and providing for income tax, amounted to $9,390,586 (2024: $9,744,709). Further discussion on the Group's operations is provided below:

Operational update

Diabetic Foot Ulcer (DFU) – Phase 1 Trial Complete with Positive Results

Due to reduced blood flow, patients with diabetes are at risk of developing non-healing wounds on the feet/lower limbs, which are also known as diabetic foot ulcers or DFU. In addition to causing severe pain and discomfort, DFU pose a significant risk of infection, and if treatment is unsuccessful, amputation may be necessary.

CYP-006TK is Cynata's Cymerus iPSC-derived MSC topical wound dressing product candidate, which comprises MSCs seeded onto a novel silicone dressing. This product was investigated as a potential treatment to promote wound healing in patients with DFU in a Phase 1 clinical trial, which was completed during the year.

The trial met its primary objective, with CYP-006TK found to be safe and well-tolerated – no participants withdrew from the trial due to adverse events, and there were no suspected serious adverse reactions reported.

Importantly, the trial also generated positive efficacy data, indicating improved wound healing for CYP-006TK compared to the standard of care control group. After 12 weeks, there was a mean (average) decrease in wound surface area of 64.6% in the CYP-006TK group compared to a decrease of 22.0% in the standard of care control group. After 24 weeks, there was a mean decrease of 83.6% in the CYP-006TK group compared to a decrease of 47.8% in the standard of care control group. The results also indicated that larger wounds in particular healed to a greater extent in the CYP-006TK group compared to the standard of care control group.

Given the high unmet need in DFU and the strength of these results, Cynata is actively engaging potential commercial partners and planning further clinical development.

Acute Graft versus Host Disease (aGvHD) – Phase 2 Trial ~85% enrolled; Results Expected H1 2026

aGvHD is a serious and often life-threatening complication of bone marrow transplantation and similar procedures (also known as haematopoietic stem cell transplantation [HSCT] or blood stem cell transplantation). aGvHD arises when immune cells in the transplant (the graft) recognise the recipient's tissues (the host) as "foreign". It affects up to 50% of HSCT patients. Standard first-line treatment is with corticosteroids, but around half of all cases do not respond, and the historical two-year survival rate in steroid-resistant patients is less than 20%.[1]

CYP-001 is Cynata's Cymerus off-the-shelf iPSC-derived MSC product for intravenous infusion. It is designed to modulate the immune system and improve both response rates and survival outcomes in aGvHD. The US FDA has granted Orphan Drug Designation[2] to CYP-001 for the treatment of aGvHD, potentially providing several commercially significant incentives and decreased time to commercialisation.

In a successful Phase 1 trial in patients with steroid-resistant aGvHD, after treatment with CYP-001, 87% of patients improved by at least one grade, 53% showed no signs of aGvHD, and 60% were alive at two years. Importantly, there were no serious adverse events related to treatment, and the results were published in the prestigious journal *Nature Medicine*.[3,4]

Cynata is now conducting a global Phase 2 trial at centres in the USA, Europe and Australia, enrolling approximately 60 patients with high-risk newly-diagnosed aGvHD. Patients are randomised to receive either standard steroid therapy plus CYP-001, or steroids plus placebo. The primary endpoint is overall response at Day 28. Patient enrolment progressed very well during the year, and at the time of writing

1 Westin JR et al. Adv Hematol. 2011:601953 (2011)
2 Orphan Drug Designation qualifies Cynata for incentives including extended marketing exclusivity, tax credits and fee waivers.
3 Bloor AJC et al. Nat Med. 26:1720–1725 (2020).
4 Kelly K et al. Nat Med. 30:1556–1558 (2024).

Review of operations

Key Highlights

Cynata is in a phase of significant momentum, with **one clinical trial completed** during the 2025 financial year, **and three more progressing towards results** in the 2026 financial year

The **Phase 1 clinical trial in DFU is complete**, with CYP-006TK demonstrated to be safe and well tolerated, and **positive efficacy data** indicating substantially improved wound healing compared to the standard of care control group

The **Phase 2 trial in aGvHD is ~85% enrolled**, with patient recruitment progressing and **primary results anticipated** during H1 2026

The fully enrolled, 321-patient **Phase 3 trial in Osteoarthritis is nearing completion** in the coming months, with **top-line results anticipated** between February and April 2026

Cohort 1 of the **Phase 1/2 kidney transplant trial has completed** treatment, with **review results expected** in Q4 2025

Positive efficacy results in preclinical models of pulmonary fibrosis and ischaemic heart disease, supporting potential **expansion into large additional markets**

Scientific paper underlining strengths of Cymerus platform relative to conventional manufacturing methods published in leading peer-reviewed journal

Upcoming clinical milestones have the potential to represent **inflection points for valuation, partnering, and product approval** pathways

The Company remains well-capitalised with **funding runway through mid-2026**, covering all key clinical readouts

Operating and Financial Review (cont'd)

is now ~85% complete. The Company anticipates completing enrolment in the coming months and releasing the primary results during H1 2026.

Osteoarthritis – Phase 3 Trial Recruitment Complete; Results Expected Feb-Apr 2026

Osteoarthritis is a degenerative joint condition affecting over 500 million people globally. Current treatment options are limited to symptom management or invasive surgery, with no therapies available that address cartilage loss and inflammation at the source.

CYP-004 is Cynata's Cymerus off-the-shelf iPSC-derived MSC product for intra-articular injection (injection into a joint). The ongoing Phase 3 trial of CYP-004 in patients with osteoarthritis of the knee, known as the SCUlpTOR[5] trial, is being conducted by the University of Sydney and funded through an NHMRC project grant. The trial completed enrolment of 321 patients in November 2023, with all patients now having received their study treatments. Follow-up is ongoing, with final 24-month results anticipated between February and April 2026. The trial has co-primary outcome measures, which aim to show the effects of CYP-004 on both symptoms (pain) and disease progression (cartilage thickness as measured by MRI[6]). If successful, this could be the first ever disease-modifying treatment for osteoarthritis.

Additionally, during the year, the Company held an advisory meeting with the Australian Therapeutic Goods Administration (TGA), and based on the advice received, Cynata is optimistic that positive results from this trial could support marketing approval of CYP-004 in Australia.

Renal Transplantation – First Cohort Complete; Results of DSMB Review Expected Q4 2025

Patients undergoing kidney transplantation typically require lifelong immunosuppressive therapy with calcineurin inhibitor drugs to prevent rejection of the transplanted organ. Calcineurin inhibitors are quite effective at preventing rejection, but they come with serious long-term toxicity and health risks.

This investigator-led 16 patient trial, conducted at Leiden University Medical Centre (LUMC) in the Netherlands, is assessing whether CYP-001 can reduce reliance on calcineurin inhibitors, potentially offering patients safer long-term immune modulation.

The enrolment and treatment of the three patients in Cohort 1 is now complete. Once the third and final patient treated in this cohort is followed up for six weeks, the study's independent Data and Safety Monitoring Board (DSMB) will review the data from this Cohort. The results of this review are anticipated by Q4 2025.

Finance

The net assets of the Group have decreased by $1,235,500 to $5,981,735 in 2025 (2024: $7,217,235).

During the year, Cynata received a Research and Development Tax Incentive rebate of $1.88m from the Australian Federal Government and further strengthened its balance sheet with an $8.10m (before costs) institutional placement in December 2024.

Notably, the Company is now only funding one ongoing clinical trial (its Phase 2 aGvHD trial). The other ongoing trials (in kidney transplantation and osteoarthritis) are being conducted by partners and funded externally. Furthermore, the Company anticipates receiving its 2025 Research and Development Tax Incentive rebate in the coming months.

The Company anticipates its cash runway to extend into mid calendar year 2026, beyond the anticipated renal transplantation, aGvHD and osteoarthritis clinical trial readouts.

5 SCUlpTOR = Stem Cells as a symptom- and strUcture-modifying Treatment for medial tibiofemoral OsteoaRthritis

6 MRI = magnetic resonance imaging

Outlook

Cynata is entering one of the most important phases in its history — a 12-month window in which three clinical trials will deliver results.

Before the end of 2025, we expect to report safety review results from our Phase 1/2 kidney transplantation trial, which could demonstrate a pathway to reducing long-term immunosuppressive therapy in transplant patients.

In the first half of 2026, we anticipate primary results from our global Phase 2 trial in acute graft versus host disease, building on world-class data from our earlier study and targeting a high-value, high-need market. Shortly after, between February and April 2026, we look forward to the final results of the University of Sydney-led Phase 3 osteoarthritis trial, which, if successful, could position CYP-004 as the first disease-modifying treatment for one of the most common joint diseases in the world. Clinical validation in these late-stage clinical trials will soon also spark parallel development in more diseases with high unmet medical need.

We aim to unlock the full potential of the Cymerus technology through our advanced clinical and preclinical pipelines and partnered development. We have deliberately focused on markets where demand is proven, competition is limited, and our manufacturing advantages can set a new global standard. Very few companies of our size have the potential to deliver this breadth of high-impact data in such a short period of time. With the support of our shareholders, Cynata is excited to convert years of innovation into transformative products for patients — and lasting growth and value for our investors.

Material risks

There is a small number of material risks that, either individually or in combination, may materially and adversely affect the future operating and financial performance and prospects of Cynata and the value of its shares. Some of these risks may be mitigated by Cynata's internal controls and processes but some are outside the control of Cynata, its directors and management. The material risks identified by management are described below:

(a) 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. 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.

Mitigation measures employed by the Company include: ensuring that clinical trials are strongly supported by preclinical safety and efficacy data; careful clinical trial design to minimise the changes of potentially spurious outcomes; use of independent data and safety monitoring boards; engagement of leading contract research organisations to manage the trials and drive recruitment; engagement of well-qualified clinical sites experienced in clinical trial execution and in the relevant therapeutic areas.

Operating and Financial Review (cont'd)

(b) Regulatory risk

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.

Mitigation measures employed by the Company include: engagement of suitably qualified and experienced persons with expertise in the regulation of biological/cellular therapies; regular review of evolving regulatory requirements and analysis of the Company's activities and plans against regulatory expectations in key jurisdictions; and ensuring that the expectations and uncertainties related to regulatory approvals, and the timing of such approvals, are included in business plans.

(c) 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.

Mitigation measures employed by the Company include: performing rigorous due diligence on potential partners; ensuring that the commercial terms negotiated are fair and utilising expert legal advice to ensure that appropriate warranties and commitments are included in contracts, and that the contracts reflect the agreed commercial position, and the creation of the Chief Business Officer position with executive responsibility for the Company's partnerships.

(d) 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.

Mitigation measures employed by the Company include: utilising expert professional advice in respect of all of the Company's commercial arrangements; actively monitoring licence terms and obligations; implementing product development strategies to achieve milestones; financial management to ensure that the Company can meet all financial obligations to licensors.

(e) 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.

Mitigation measures employed by the Company include: performing rigorous due diligence on contract manufacturers; engaging contract manufacturers with strong track records and sufficient capability to meet the Company's foreseeable needs; and employing a senior manager responsible for managing and monitoring the performance of third parties including contract manufacturers.

Remuneration Report (audited)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Cynata Therapeutics Limited's key management personnel ("KMP") for the financial year ended 30 June 2025.

The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Contents

The prescribed details for each person covered by this report are detailed below under the following headings:

1. Key management personnel

The directors and other KMP of the Group during or since the end of the financial year were:

Non-executive directors	Position
Dr Geoff Brooke	Independent Non-Executive Chair
Dr Darryl Maher	Independent Non-Executive Director
Dr Paul Wotton	Independent Non-Executive Director
Ms Janine Rolfe	Independent Non-Executive Director

Executive directors	Position
Dr Kilian Kelly	Managing Director & Chief Executive Officer

Other key management personnel	Position
Dr Jolanta Airey	Chief Medical Officer
Dr Mathias Kroll	Chief Business Officer

The above-named persons held their current position for the whole of the financial year and since the end of the financial year.

Remuneration Report (cont'd)

2. Remuneration policy

Cynata's remuneration policy was developed by the Board and has been designed to facilitate the alignment of shareholder, director and executive interests by:

- Providing levels of fixed remuneration and 'at risk' remuneration sufficient to attract and retain individuals with the skills and experience required to build on and execute the Company's business strategy.
- Ensuring 'at risk' remuneration is contingent on outcomes that grow shareholder value.
- Ensuring a suitable proportion of remuneration is received as a share-based payment so that rewards are realised through the performance of the Company over the longer term.

Remuneration consists of:

- Fixed remuneration
- Short-term incentives ('STI')
- Long-term incentives ('LTI')
- Benefits (e.g., car parking, telephone, etc.)

The fixed remuneration component is determined regarding market conditions, so that the Company can recruit and retain the best available talent.

The Board's policy regarding short- and long-term incentives includes cash bonuses (STI) and the granting of options under the Company's Employee Option Acquisition Plan (EOAP) (LTI). Options are granted with an exercise price at a premium to the underlying market value of shares at the time of grant and vest over time subject to continuity of employment. The term of options is set to ensure that there is a reasonable expectation that the strategies and actions of the recipients will, if successful, produce above-market Company performance. This policy aligns the interests of executives with those of shareholders and creates a direct relationship between individual remuneration outcomes and Company performance.

As at the date of this report, the Company has one executive – the Chief Executive Officer, four non-executive directors, one Chief Medical Officer and one Chief Business Officer. As set out below, total remuneration costs for the 2025 financial year were $1,801,531 up from $1,446,293 for the previous financial year.

(a) Non-executive Director Remuneration

Non-executive directors are remunerated by way of fees, in the form of cash, superannuation contributions (if paid via the Company's payroll), the award of options on appointment and during their tenure from time-to-time or salary sacrifice into equity (both of which are subject shareholder approval). Fees (including the award of options) for non-executive directors are not linked to the performance of the Company. To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and do not participate in schemes designed for the remuneration of executives.

If paid via the Company's payroll, non-executive directors receive a superannuation guarantee contribution required by the government, which was 11.5% in the 2024/2025 financial year and do not receive any other retirement benefits. Individuals may choose to sacrifice part of their fees to increase payments towards superannuation.

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines, subject to a fee pool as approved by shareholders, payments to non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

(b) Executive Director Remuneration

Executive directors receive fixed remuneration, based upon performance, professional qualifications and experience and superannuation benefits and under certain circumstances, options and performance incentives.

Executive Remuneration Objectives			
An appropriate balance of 'fixed' and 'at-risk' components.	Attract, motivate, and retain executive talent.	The creation of reward differentiation to drive performance and behaviours.	Shareholder value creation through EOAP.

Total Remuneration		
Fixed Remuneration	**Short-Term Incentives**	**Long-Term Incentives**
Set based on relevant market relativities, performance, qualifications, experience, and location.	Set by reference to Company and individual stretch performance targets relevant to the specific executive position.	Realisation dependent upon total shareholder return.
Delivery		
Base salary including superannuation.	Payable in cash following review of performance against Key Performance Indicators (KPIs) and subject to Board discretion.	Eligible executives may participate in the Company's equity-based incentive scheme subject to Board discretion. Equity options are issued under the Company's EOAP at a premium to the underlying market value of shares and typically vest over a 3-year period.
Strategic Intent		
Generally guided by the median compared to relevant market-based data taking into consideration expertise and performance in roles.	Directed at achieving short-term KPIs. Fixed Remuneration plus STI to be positioned competitively when compared to groups of similar companies.	LTI is intended to align executive performance with the Company's long-term strategy and shareholders' interests.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive and business conditions where it is in the interests of the Company and shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Board with reference to the Company's performance, individual executive performance, comparable information from industry sectors and other listed companies in similar industries and where required, expert advice.

The Board has not formally engaged the services of a remuneration consultant to provide recommendations when setting the specific remuneration received by directors or other key management personnel during the financial year ended 30 June 2025.

Remuneration Report (cont'd)

Performance Measurement

The performance of executives is measured against criteria agreed annually with each executive and is based upon the achievement of the strategic objectives to secure shareholder value.

All incentive bonuses must be linked to predetermined performance criteria. Key performance indicators (KPIs) are set annually by the Board on the following basis:

- are specifically tailored to the responsibility areas in which the executive is directly involved.
- target areas that the Board believe hold greater potential for business expansion and shareholder value.
- cover financial and non-financial as well as short and long-term goals.
- represent stretch targets to encourage extraordinary performance.

KPIs for key management personnel are focused on the areas of operational excellence, investor/ stakeholder relations and corporate partnering and alliances.

Performance in relation to KPIs is assessed annually with incentives awarded depending on the number and difficulty of the KPIs achieved. Following this assessment, KPIs are reviewed by the Board considering their desired and actual outcomes and whether behaviours are reflective of responsible risk management and sustainable business practices. The efficacy of the KPIs is assessed in relation to the Company's goals and shareholder wealth, before the KPIs are set for the following year.

The Board may, however, exercise its discretion in relation to approving incentives, bonuses, and options, and can decide on changes. Any change must be justified by reference to measurable performance criteria.

(c) Equity Settled Compensation

The fair value of the equity which executives and employees are granted is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

3. Relationship between the Remuneration Policy and Company Performance

The Board considers at this time, evaluation of the Group's financial performance using generally accepted measures such as profitability, total shareholder return or per company comparison are either not relevant or difficult to objectively quantify as the Group is pre-revenue and at an early stage in the implementation of a commercialisation strategy that includes the development of a novel life sciences (i.e. therapeutic stem cell) technology and the identification and execution of business opportunities as outlined in the directors' report.

The table below sets out summary information about the Group's earnings and movements in shareholder wealth for the five (5) years to 30 June 2025:

	30 June 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
	$	$	$	$	$
Other income	2,112,839	2,733,353	2,007,179	7,835,174	1,688,351
Net loss before tax	9,390,586	9,744,709	14,277,495	5,445,172	7,689,683
Net loss after tax	9,390,586	9,744,709	14,277,495	5,445,172	7,689,683
Share price at start of year	0.295	0.125	0.360	0.505	0.610
Share price at end of year	0.150	0.295	0.125	0.360	0.505
Basic/diluted loss per share (cents)	4.58	5.42	9.84	3.80	5.90

Remuneration Report (cont'd)

4. Remuneration of key management personnel

	Short-term employee benefits			Post-employment benefits	Share-based payment		Value of options as proportion of remuneration
2025	Salary & fees $	Cash bonus $	Other $	Super-annuation $	Options $	Total $	%
Directors							
G. Brooke	123,732	-	-	-	14,062	137,794	10.20%
K. Kelly [1]	404,788	47,602	28,792	27,653	21,093	529,928	3.98%
P. Wotton	61,866	-	-	-	6,187	68,053	9.09%
D. Maher	55,485	-	-	6,381	6,187	68,053	9.09%
J. Rolfe	61,866	-	-	-	19,677	81,543	24.13%
Other KMP							
J. Airey [2]	311,912	24,955	13,526	29,932	18,562	398,887	4.65%
M. Kroll [3]	320,068	31,938	11,133	27,438	126,696	517,273	24.49%
Total	**1,339,717**	**104,495**	**53,451**	**91,404**	**212,464**	**1,801,531**	**11.79%**

1 The amount of $47,602 under 'Cash bonus' represent potential bonus accrued for the financial year 2025. Amounts in 'Other' represent annual leave and long service leave accrued in accordance with AASB 119 Employee Benefits.

2 The amount of $24,955 under 'Cash bonus' represent potential bonus accrued for the financial year 2025. Amounts in 'Other' represent annual leave accrued in accordance with AASB 119 Employee Benefits.

3 The amount of $31,938 under 'Cash bonus' represent potential bonus accrued for the financial year 2025. Amounts in 'Other' represent annual leave accrued in accordance with AASB 119 Employee Benefits.

	Short-term employee benefits			Post-employment benefits	Share-based payment		
2024	Salary & fees $	Cash bonus $	Other $	Super-annuation $	Options $	Total $	Value of options as proportion of remuneration %
Directors							
G. Brooke	118,973	-	-	-	19,796	138,769	14.27%
K. Kelly[1]	390,601	67,716	29,417	27,399	29,694	544,827	5.45%
P. Wotton	59,487	-	-	-	8,710	68,197	12.77%
D. Maher	53,592	-	-	5,895	8,710	68,197	12.77%
J. Rolfe	59,487	-	-	-	22,200	81,687	27.18%
D. Atkins[2]	21,977	-	-	-	-	21,977	-
Other KMP							
J. Airey[3]	299,915	13,496	21,006	27,399	36,908	398,724	9.26%
M. Kroll[4]	65,987	-	4,982	6,850	46,096	123,915	37.20%
Total	**1,070,019**	**81,212**	**55,405**	**67,543**	**172,114**	**1,446,293**	**11.90%**

1 The amount of $67,716 under 'Cash bonus' represents potential bonus accrued for the financial year 2024. Amounts in 'Other' represent annual leave and long service leave accrued in accordance with AASB 119 Employee Benefits.

2 Appointed 1 July 2023, resigned 13 November 2023.

3 The amount of $13,496 under 'Cash bonus' represents potential bonus accrued for the financial year 2024. Amounts in 'Other' represent annual leave accrued in accordance with AASB 119 Employee Benefits.

4 Appointed Chief Business Officer on 17 April 2023. Amounts in 'Other' represent annual leave accrued in accordance with AASB 119 Employee Benefits.

Remuneration Report (cont'd)

(a) Bonuses and share-based payments granted as compensation for the current financial year

(i) Bonuses

An STI payable as cash of $67,716 to Dr Kelly and $13,496 to Dr Airey was accrued in the 2024 accounts. These were paid in August 2024. A potential STI of $47,602 for Dr Kelly, $24,955 for Dr Airey and $31,938 for Dr Kroll were accrued in the 2025 accounts. These amounts are payable subsequent to 30 June 2025.

Allocation of STIs is determined by attainment of short and medium term KPIs, which are considered to be important drivers of value and typical within the biotechnology industry for a company at Cynata's stage of development. In respect of financial year 2025, the following assessment was made in respect of key management personnel KPIs:

KPI	Dr Kelly	Dr Airey	Dr Kroll
Patient enrolment in clinical trials	Partially met	Partially met	Partially met
Manufacturing and process development	Met	Met	Met
Regulatory affairs	Met	Met	Met
Finance	Partially met	Partially met	Partially met
Business development	Not met	Not met	Not met
Share price target	Not met	Not met	Not met

No other STIs were granted to key management personnel during 2025.

(ii) Employee share option plan

Cynata Therapeutics Limited operates an ownership-based scheme for executives and senior employees of the Group. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees may be granted options to purchase parcels of ordinary shares.

Each employee share option converts to one ordinary share of Cynata Therapeutics Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Terms and conditions of share-based payment arrangements affecting remuneration of key management personnel in the current financial year or future financial years:

Option series	Number	Grant date	Expiry date	Exercise price	Grant date fair value	Vesting date
CYPAB[1]	4,400,000	24 Nov 2020	29 Nov 2025	$0.970	$0.493	Vested
CYPAD[2]	1,000,000	11 Oct 2021	11 Oct 2025	$0.890	$0.156	Various
CYPAR[3]	300,000	22 Nov 2022	23 Nov 2027	$0.510	$0.135	Various
CYPAS[4]	2,000,000	30 Jun 2023	30 Jun 2028	$0.176	$0.075	Various
CYPAE[5]	1,910,000	13 Nov 2023	20 Nov 2028	$0.185	$0.079	Various
CYPAF[6]	500,000	16 Jan 2024	16 Jan 2029	$0.195	$0.084	Various
CYPAT[7]	1,800,000	17 Apr 2024	17 Apr 2029	$0.290	$0.144	Various

1 Unlisted options issued to Directors and former Directors pursuant to an Employee Option Acquisition Plan.

2 Unlisted options issued to Dr Airey pursuant to an Employee Option Acquisition Plan.

3 Unlisted options issued to Ms Rolfe pursuant to the terms of her appointment as non-executive director.

4 Unlisted options issued to Dr Kelly pursuant to the terms of his appointment as Managing Director & CEO.

5 Unlisted options issued to Directors pursuant to an Employee Option Acquisition Plan.

6 Unlisted options issued to Dr Airey pursuant to an Employee Option Acquisition Plan.

7 Unlisted options issued to Dr Kroll pursuant to an Employee Option Acquisition Plan.

There were no share-based payments granted as compensation to key management personnel during the current financial year (2024: 4,210,000 options).

No share options granted as part of their compensation were exercised by key management personnel during the year (2024: nil)

The following table summarises the number of options that lapsed during the financial year, in relation to options granted to key management personnel as part of their remuneration:

Name	Financial year in which the options were granted	No. of options lapsed during the current year
K. Kelly	2020	1,000,000

Remuneration Report (cont'd)

5. Key terms of employment contracts

The non-executive chair, Dr Geoff Brooke, was paid a fee of $123,732 (excluding GST) for the period 1 July 2024 – 30 June 2025. Effective 1 July 2025, Dr Brooke will be a paid an annual fee of $128,063 (excluding GST).

The other non-executive directors, Dr Paul Wotton, Dr Darryl Maher and Ms Janine Rolfe were each paid a fee of $61,866 (including superannuation or excluding GST as the case may be) for the period 1 July 2024 – 30 June 2025. Effective 1 July 2025, these non-executive directors will be paid an annual fee of $64,031 (including superannuation or excluding GST as the case may be).

The award of options as part of the fees to all non-executive directors are separately disclosed in this Report and are not linked to the performance of the Company. It is not customary for non-executive directors to have notice periods. The appointment of any of the non-executive directors may be terminated if the director gives notice of resignation and the appointment may be terminated immediately if the director becomes disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company.

The key terms of employment for the executive KMP are set out in the following table:

Employee	Remuneration / Fees*	Performance-based remuneration criteria	Notice period
Dr Kilian Kelly	Effective 1 July 2025, a salary of $449,935 per annum including superannuation. For financial year 2025, a salary of $434,720 per annum including superannuation.	An incentive payment of up to 30% of the annual salary and based on attainment of agreed KPIs. The Company may (but is not bound to) pay additional performance-based remuneration.	The contract may be terminated by either party providing 3 months' notice. The Company may also terminate employment immediately and without further payment where the employee commits serious misconduct and on other similar grounds. Any termination payments are paid within applicable legislative requirements.
Dr Jolanta Airey	Effective 1 Jul 2025, a salary of $352,829 per annum inclusive of statutory superannuation. Dr Airey is employed on a part-time (0.8 FTE) basis.	An incentive payment of up to 20% of the annual salary and based on attainment of agreed KPIs.	
Dr Mathias Kroll	Effective 1 July 2025, a salary of $362,250 per annum including superannuation.	An incentive payment of up to 25% of the annual salary and based on attainment of agreed KPIs.	

* In addition, all KMP are eligible to, and have participated, in the Company's equity-based incentive scheme. The award of options under this scheme to KMP are separately disclosed in this Report.

6. Key management personnel equity holdings

Fully paid ordinary shares of Cynata Therapeutics Limited

2025	Balance at 1 July 2024 No.	Received on exercise of options No.	Shares acquired No. [1]	Shares disposed No.	Balance at resignation No.	Balance at 30 June 2025 No.
G. Brooke	257,343	-	55,555	-	-	312,898
K. Kelly	619,651	-	177,777	-	-	797,428
P. Wotton	315,309	69,767	200,000	-	-	585,076
D. Maher	50,000	-	66,666	-	-	116,666
J. Rolfe	116,279	-	138,888	-	-	255,167
J. Airey	-	-	-	-	-	-
M. Kroll	-	-	-	-	-	-

[1] Represents shares acquired pursuant to participation in a Placement.

2024	Balance at 1 July 2023 No.	Received on exercise of options No.	Shares acquired No.	Shares disposed No.	Balance at resignation No.	Balance at 30 June 2024 No.
G. Brooke	257,343	-	-	-	-	257,343
K. Kelly	525,508	-	94,143	-	-	619,651
P. Wotton	315,309	-	-	-	-	315,309
D. Maher	50,000	-	-	-	-	50,000
J. Rolfe	116,279	-	-	-	-	116,279
J. Airey	-	-	-	-	-	-
M. Kroll [1]	-	-	-	-	-	-
D. Atkins [2]	-	-	-	-	-	-
S. Washer [3]	2,364,390	-	-	-	(2,364,390)	-

[1] Appointed Chief Business Officer on 17 April 2024.

[2] Appointed 1 July 2023; resigned 13 Nov 2023.

[3] Resigned 1 July 2023.

Remuneration Report (cont'd)

Share options of Cynata Therapeutics Limited

2025	Balance at 1 July 2024 No.	Granted No.	Lapsed No.	Exercised No.	Balance at 30 June 2025 No.	Balance vested at 30 June 2025 No.	Vested and exercisable No.	Options vested during year No.
G. Brooke	2,569,767	-	(69,767)	-	2,500,000	2,263,889	2,263,889	133,333
K. Kelly	3,765,748	-	(1,015,748)	-	2,750,000	1,729,153	1,729,153	713,405
P. Wotton	589,767	-	-	(69,767)	520,000	416,111	416,111	73,333
D. Maher	545,000	-	(25,000)	-	520,000	416,111	416,111	73,333
J. Rolfe	578,140	-	(58,140)	-	520,000	374,434	374,434	173,329
J. Airey	1,500,000	-	-	-	1,500,000	1,236,111	1,236,111	276,653
M. Kroll	1,800,000	-	-	-	1,800,000	583,333	583,333	500,000

2024	Balance at 1 July 2023 No.	Granted No.	Lapsed No.	Exer-cised No.	Balance on resignation No.	Balance at 30 June 2024 No.	Balance vested at 30 June 2024 No.	Vested and exercis-able No.	Options vested during year No.
G. Brooke	2,369,767	500,000	(300,000)	-	-	2,569,767	2,466,989	2,466,989	375,017
K. Kelly	3,015,748	750,000	-		-	3,765,748	1,828,241	1,828,241	840,271
P. Wotton	369,767	220,000	-	-	-	589,767	412,545	412,545	88,455
D. Maher	325,000	220,000	-	-	-	545,000	367,778	367,778	84,455
J. Rolfe	358,140	220,000	-	-	-	578,140	259,245	259,245	142,774
J. Airey	1,000,000	500,000	-	-	-	1,500,000	969,458	959,458	459,452
M. Kroll [1]	-	1,800,000	-	-	-	1,800,000	83,333	83,333	83,333
D. Atkins [2]	-	-	-	-	-	-	-	-	-
S. Washer [3]	369,767	-	-	-	(369,767)	-	-	-	-

[1] Appointed Chief Business Officer on 17 April 2024.

[2] Appointed 1 July 2023; resigned 13 November 2023.

[3] Resigned 1 July 2023.

All share options issued to key management personnel were made in accordance with the provisions of the Employee Option Acquisition Plan.

Further details of the Employee Option Acquisition Plan and share options are contained in note 18 to the financial statements.

This is the end of the audited remuneration report

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act* 2001.

On behalf of the directors,

Dr Kilian Kelly
Managing Director & Chief Executive Officer

Melbourne,
28 August 2025

Auditor's Independence Declaration

Stantons

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West Perth WA 6872
Australia

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Australia

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www.stantons.com.au

28 August 2025

Board of Directors
Cynata Therapeutics Limited
Level 3, 100 Cubitt Street
Cremorne, Victoria 3121

Dear Directors

RE: CYNATA THERAPEUTICS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Cynata Therapeutics Limited.

As Audit Director for the audit of the financial statements of Cynata Therapeutics Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

Martin Michalik
Director

Liability limited by a scheme approved under Professional Standards Legislation

Russell Bedford

Stantons Is a member of the Russell Bedford International network of firms

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CYNATA THERAPEUTICS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cynata Therapeutics Limited (the Company) and its subsidiaries (collectively, the "Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3.1 to the financial statements, which indicates that the financial statements have been prepared on a going concern basis. At 30 June 2025 the Group had cash and cash equivalents totalling $5,049,744, cash outflow from operating activities of $8,720,335, and has incurred a loss before tax from continuing operations for the year of $9,390,586. These amounts indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The Group's ability to continue operations is dependent upon directors raising additional funding either through the issue of equity or debt or through the sale of assets, entering into corporate partnerships and by curtailing discretionary research and development spending.

Our opinion is not modified in respect of this matter.

Independent Auditor's Report (cont'd)

Stantons

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be Key Audit Matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in the audit
Carrying value of intangible assets, amortisation and impairment At 30 June 2025, the carrying amount of the Group's Intangible assets (patents) amounted to $1,848,904 (2024: $1,851,868) as disclosed in Note 12 to the consolidated financial statements. Intangible assets are considered a key audit matter as they represent 31% of the net assets of the Group and require a level of judgement from management in assessing their recoverable amounts.	Our audit procedures included, inter alia, the following: i. Reviewed ASX announcements and minutes of the Board of Directors meetings to obtain an understanding of the significant activities undertaken by the Group during the year; ii. Checked the validity of title to patents and ensured that any patents that have expired are written off; iii. Reviewed management's assessment of the carrying value of the patents and assessed the appropriateness and relevance of the information provided to justify the carrying value of the patents; iv. Checked the amortisation charge to ensure that the patents are being amortised over the 20-year patents' life; and v. Evaluated the adequacy of the disclosures in the consolidated financial assets.

Key Audit Matters	How the matters were addressed in the audit
Measurement of Share-based Payments The Group had recorded a number of share-based payment transactions for the financial year ended 30 June 2025, including the issue of a total of 6,000,000 unlisted options to lead brokers and a further 1,000,000 unlisted options to an external consultant. During the financial year ended 30 June 2025, the Company recognised a share-based payment expense of $229,237. Measurement of share-based payments was a key audit matter due to the complex and judgmental estimates used in determining the fair value of the share-based payments.	Inter alia, our audit procedures included the following: i. Reviewing the relevant agreements to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; ii. Assessing the assumptions used in the Group's valuation of share options being the share price of the underlying equity, interest rate, volatility, dividend yield, time to maturity (expected life) and grant date; iii. Assessing the allocation of the share-based payment expense over the relevant vesting period; and iv. Assessing the appropriateness of the disclosures in Note 18 to the consolidated financial statements.

Independent Auditor's Report (cont'd)

Stantons

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of:

   i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

   ii) the consolidated entity disclosure statement that is true and correct and is free from misstatement whether due to fraud and error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

Auditor's Independence Declaration (cont'd)

Stantons

required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 24 to 36 in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Cynata Therapeutics Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
28 August 2025

Directors' Declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;

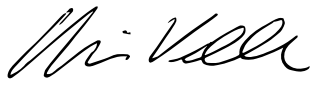
(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act* 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and

(d) the directors have been given the declarations required by s.295A of the *Corporations Act* 2001; and

(e) the information contained in the consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act* 2001.

On behalf of the directors,

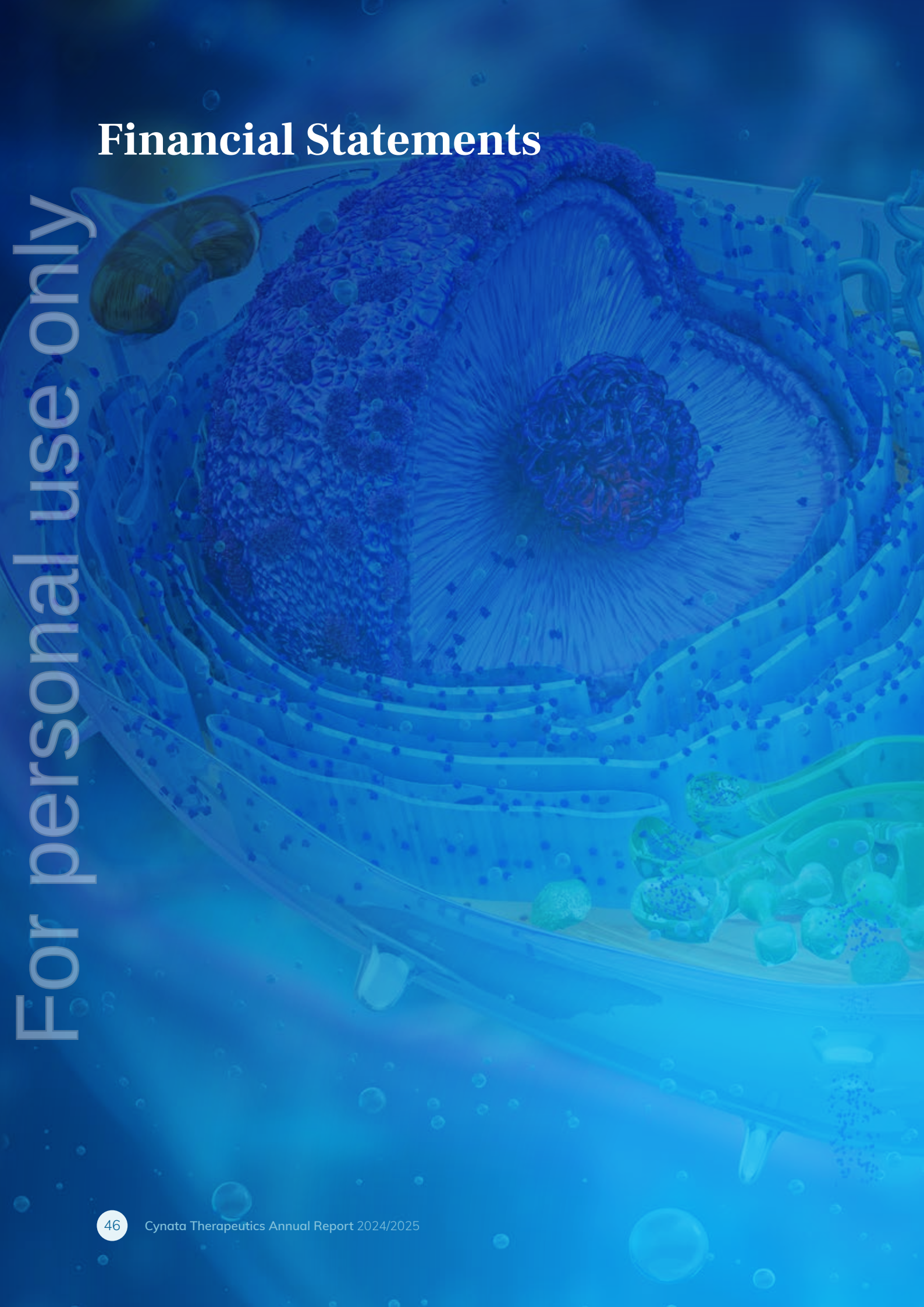


Dr Kilian Kelly

Managing Director & Chief Executive Officer

Melbourne,
28 August 2025

Financial Statements



Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2025

	Note	Year ended 30 June 2025 $	Year ended 30 June 2024 $
Interest income	6	227,699	417,710
Other income	6	1,885,140	2,315,643
Total revenue and other income		**2,112,839**	**2,733,353**
Product development costs	7	(7,398,004)	(8,681,364)
Employee benefits expenses	8	(2,067,760)	(1,933,007)
Amortisation expenses	12	(282,964)	(280,732)
Share based payment expenses	8,18	(260,415)	(228,463)
Other expenses	8	(1,494,282)	(1,354,496)
(Loss) before income tax		**(9,390,586)**	**(9,744,709)**
Income tax expense	9	-	-
(Loss) for the year		**(9,390,586)**	**(9,744,709)**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		-	-
Other comprehensive income for the year, net of income tax		**-**	**-**
Total comprehensive loss for the year		**(9,390,586)**	**(9,744,709)**
(Loss) for the year attributable to:			
Owners of Cynata Therapeutics Limited		(9,390,586)	(9,744,709)
Total comprehensive loss for the year attributable:			
Owners of Cynata Therapeutics Limited		(9,390,586)	(9,744,709)
(Loss) per share:			
Basic and diluted (cents per share)	10	(4.58)	(5.42)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position as at 30 June 2025

	Note	30 June 2025 $	30 June 2024 $
Current assets			
Cash and cash equivalents	21	5,049,744	6,205,418
Trade and other receivables	11	104,650	113,184
Prepayments		194,618	217,820
Total current assets		**5,349,012**	**6,536,422**
Non-current assets			
Intangibles	12	1,848,904	1,851,868
Total non-current assets		1,848,904	1,851,868
Total assets		**7,197,916**	**8,388,290**
Current liabilities			
Trade and other payables	13	941,058	950,627
Provisions	14	275,123	220,428
Total current liabilities		1,216,181	1,171,055
Total liabilities		**1,216,181**	**1,171,055**
Net assets		**5,981,735**	**7,217,235**
Equity			
Issued capital	15	89,519,207	81,624,596
Option reserves	16.1	8,166,905	7,906,430
Foreign currency translation reserve	16.2	4,724	4,724
Accumulated losses		(91,709,101)	(82,318,515)
Total equity		**5,981,735**	**7,217,235**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity for the year ended 30 June 2025

	Issued Capital	Option Reserve	Foreign currency translation reserve	Accum-ulated losses	Total
	$	$	$	$	$
Balance at 1 July 2023	**81,624,596**	**7,677,967**	**4,724**	**(72,573,806)**	**16,733,481**
Loss for the year	-	-	-	(9,744,709)	(9,744,709)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**(9,744,709)**	**(9,744,709)**
Issue of ordinary shares (refer to note 15)	-	-	-	-	-
Share issue costs	-	-	-	-	-
Share based payments (refer to note 16.1)	-	228,463	-	-	228,463
Balance at 30 June 2024	**81,624,596**	**7,906,430**	**4,724**	**(82,318,515)**	**7,217,235**

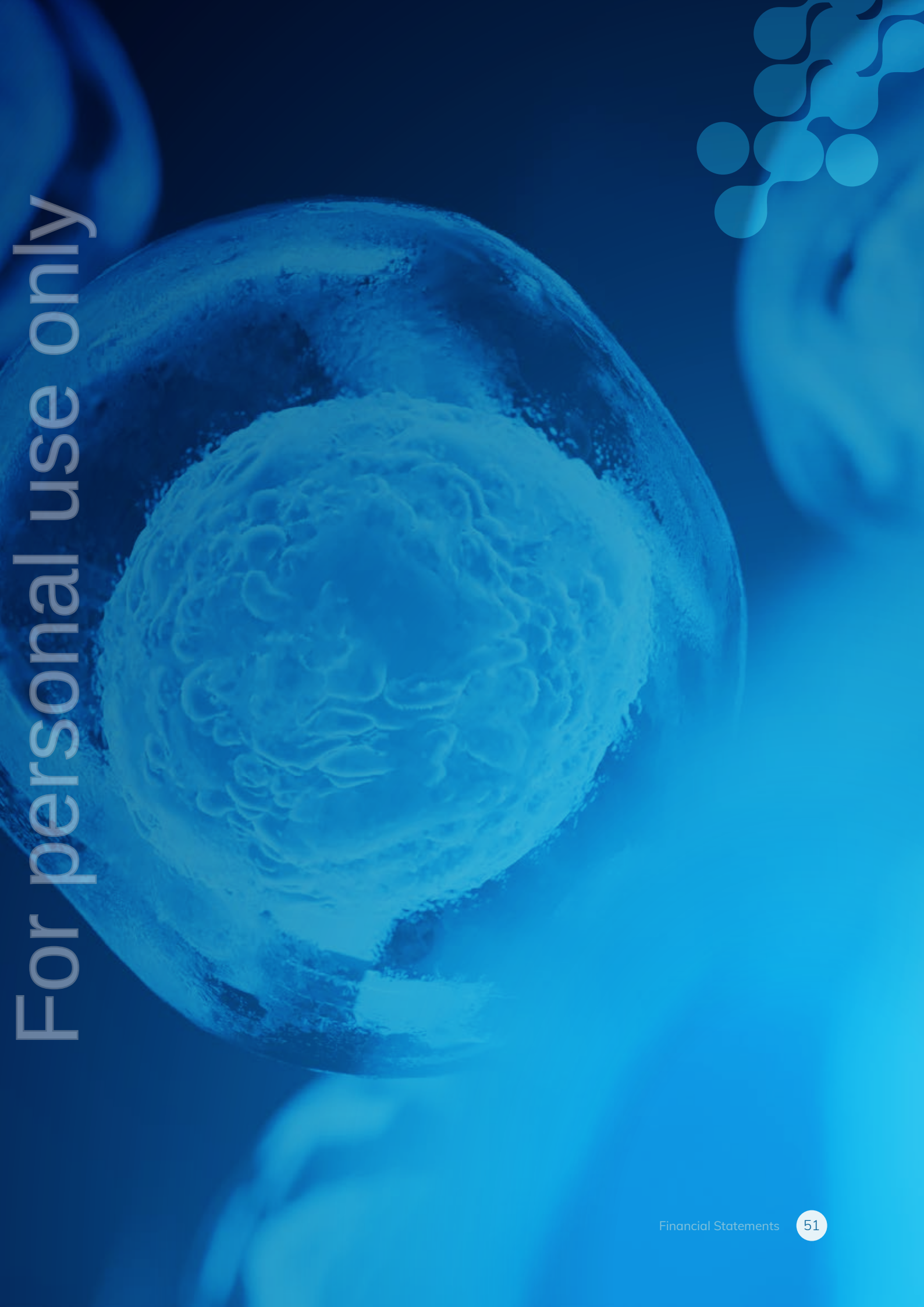
	$	$	$	$	$
Balance at 1 July 2024	**81,624,596**	**7,906,430**	**4,724**	**(82,318,515)**	**7,217,235**
Loss for the year	-	-	-	(9,390,586)	(9,390,586)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**(9,390,586)**	**(9,390,586)**
Issue of ordinary shares	8,416,875	-	-	-	8,416,875
Share issue costs	(522,264)	-	-	-	(522,264)
Share based payments (refer to note 16.1)	-	260,475	-	-	260,475
Balance at 30 June 2025	**89,519,207**	**8,166,905**	**4,724**	**(91,709,101)**	**5,981,735**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows for the year ended 30 June 2025

	Note	Year ended 30 June 2025 $	Year ended 30 June 2024 $
Cash flows from operating activities			
Payments to suppliers and employees		(3,560,896)	(3,246,008)
Interest received		253,852	446,284
Research and development tax refund received		1,885,140	2,315,643
Other income (refund of office deposit)		-	21,960
Development costs paid		(7,298,431)	(9,498,440)
Net cash (used in) operating activities	21.1	(8,720,335)	(9,960,561)
Cash flows from investing activities			
Payments to acquire intellectual property		(50,000)	-
Net cash (used in) investing activities		**(50,000)**	**-**
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company	15	8,136,935	-
Payment for share issue costs		(522,264)	-
Net cash provided by financing activities		7,614,671	-
Net (decrease) in cash and cash equivalents		**(1,155,664)**	**(9,960,561)**
Cash and cash equivalents at the beginning of the year		6,205,418	16,167,356
Effects of exchange rate changes on the balance of cash held in foreign currencies		(10)	(1,377)
Cash and cash equivalents at the end of the year	21	**5,049,744**	**6,205,418**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



Notes

Notes to the consolidated financial statements for the year ended 30 June 2025

1. General information

Statement of compliance

Cynata Therapeutics Limited ("the Company") is a listed public company incorporated in Australia. The addresses of its registered office and principal place of business are disclosed in the corporate directory to the annual report.

The principal activities of the Company and its controlled subsidiaries ("the Group") are described in the directors' report.

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act* 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 28 August 2025.

2. Application of new and revised Accounting Standards

2.1 Amendments to Accounting Standards and new Interpretations that are mandatorily effective for the current year

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2024.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. Material accounting policy information

3.1 Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars ("$"), unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2 *Share-based Payment*, leasing transactions that are within the scope of AASB 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 *Inventories* or value in use in AASB 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As at 30 June 2025, the Group had net assets of $5,981,735 (2024: $7,217,235) and positive working capital of $4,132,831 (2024: $5,365,367) and in the year then ended incurred a loss after tax of $9,390,586 (2024: $9,744,709) and net operating cash outflows of $8,720,335 (2024: $9,960,561). As at 30 June 2025, the Group had cash and cash equivalents of $5,049,744 (2024: $6,205,418).

As the Group continues to develop and commercialise its proprietary induced pluripotent stem cell (iPSC)-based platform technology Cymerus™, the Group may require additional working capital that may be funded through cash flows from existing assets (e.g. corporate partnerships) and/or additional capital raisings. The directors consider the Group can manage its cash flow to ensure sufficient funds are available to meet its financial responsibilities. Based on this, the directors consider it appropriate that the financial report be prepared on a going concern basis.

In the event that the Group is unable to obtain sufficient funding for on-going operational and capital requirements, there is material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and therefore proceed with realising its assets and discharging its liabilities in the normal course of business at the amounts stated in the financial report.

The ability of the Group to continue as a going concern and meet its operational and other commitments is dependent upon the Group developing its business, commercialising its iPSC-based platform technology, revenue growth and obtaining additional working capital that may be funded through cash flows from existing assets (e.g. corporate partnerships) and/or additional capital raisings. The directors have reviewed the business outlook and cashflow forecasts and are the of opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in doing so.

The consolidated financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Group not be able to continue as a going concern.

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 *Income Taxes* and AASB 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of

liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 9 *Financial Instruments*, or AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

3.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business (see 3.3 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Groups' cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.5 Revenue recognition

The Group has applied AASB 15 *Revenue from Contracts with Customers* using the cumulative effective method. The Group does not have any revenue from contracts with customers.

3.5.1 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts though the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.5.2 Other income

Other income is generally income earned from transactions outside the course of the Group's ordinary activities. Other income is recognised in profit or loss when received.

3.6 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ("$"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.7 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.8 Employee benefits

Short-term and long-term employee benefits

A liability is recognised for benefits accrued to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

3.9 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 18.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

3.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.10.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

R&D rebates are accounted for on a cash basis and included under other income.

3.10.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the

accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.11 Intangible assets

3.11.1 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Intangibles have been identified as all granted patents and patent applications. They have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the assets, which is no more than 20 years.

3.11.2 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which is no more than 20 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.11.3 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

3.12 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair values less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.14 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction costs, except for those carried at 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and measurement

FINANCIAL ASSETS

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the Group's business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet with the following conditions (and are not designated as FVPL);

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (Equity instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

FINANCIAL LIABILITIES

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

IMPAIRMENT

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3.15 Leases

The Group as a lessee

At inception of a contract, the Group assesses if the contract contains characteristics of or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e., leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on the index of the rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee if reasonably certain to exercise the options;
- lease payments under extension profits, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and initial direct costs. The subsequent measurement of the right-of-use asset is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group does not currently have any leases that would require recognition of a right-of-use asset in the current reporting period.

3.16 Comparative amounts

When current period balances have been classified differently within current period disclosures when compared to prior periods, comparative disclosures have been restated to ensure consistency of presentation between periods.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period on which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

4.1.1 Recoverability of intangible assets acquired in a business combination and acquired separately

During the year, the directors reconsidered the recoverability of the Group's intangible assets arising from the acquisition of Cynata Incorporated as well as the intellectual property rights acquired from TekCyte Limited in July 2024, which is included in the consolidated statement of financial position at 30 June 2025 with a carrying value of $1,848,904 (2024: $1,851,868) after accounting for amortisation.

The directors have allocated the carrying value of the intangibles (before amortisation) to the different categories of the research based on their estimates. The resulting allocation has given rise to an amortisation expense of $2,282,964 for the year ended 30 June 2025 (2024: $280,732).

The directors performed an assessment of impairment indicators and concluded that no impairment of the intangible assets is required for the year (2024: nil).

4.1.2 Share-based payment transactions

The Group accounts for all equity-settled share-based payments based on the fair value of the award on grant date. Under the fair value-based method, compensation cost attributable to options granted is measured at fair value at the grant date and amortised over the vesting period. The amount recognised as an expense is adjusted to reflect any changes in the Group's estimate of the options that will eventually vest and the effect of any non-market vesting conditions.

Share-based payment arrangements in which the Group receives good or services as consideration are measured at the fair value of the good or service received, unless that fair value cannot be reliably estimated.

5. Segment information

The Group operates in one business segment, namely the development and commercialisation of therapeutic products. For management purposes, the Group is organised into one main operating segment which involves the development and commercialisation of therapeutic products. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment.

Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

6. Interest income and other income

Interest income	2025 $	2024 $
Interest income	227,699	417,710

Other income	2025 $	2024 $
R&D rebate	1,885,140	2,315,643

7. Product development costs

	2025 $	2024 $
Research and development expenses	6,565,975	8,156,550
Consultants	362,913	354,742
Travel and accommodation expenses	284,002	119,091
License fees	137,774	23,398
Patent costs	47,340	27,583
	7,398,004	8,681,364

8. Loss for the year

	2025 $	2024 $
Loss for the year has been arrived at after charging the following items of expenses:		
Employee benefits expenses		
Wages and salaries	1,848,717	1,689,277
Superannuation expenses	164,349	143,450
Leave entitlements	54,694	100,280
Total employee benefits expenses (i)	2,067,760	1,933,007
Share-based payment expenses	260,415	228,463
Other expenses		
Share registry fees	43,370	26,741
Directors' fees	309,331	319,410
Legal costs	329,043	336,438
Investor/public relations	101,014	80,666
Corporate advisors	42,600	15,000
Other administrative expenses	661,521	643,991
Effect of foreign exchange	7,403	(67,750)
Total other expenses	1,494,282	1,354,496

(i) Excludes amounts charged to product development costs.

9. Income taxes relating to continuing operations

9.1 Income tax recognised in profit or loss

	2025	2024
	$	$
Current tax	-	-
Deferred tax	-	-
	-	-

The income tax expense for the year can be reconciled to the accounting loss as follows:

	2025	2024
	$	$
Loss before tax from continuing operations	(9,390,586)	(9,744,709)
Income tax expense calculated at 25% (2024: 25%)	(2,347,646)	(2,436,177)
Tax effect of R&D rebate received	(471,285)	(578,911)
Effect of expenses that are not deductible in determining taxable income	1,972,966	2,189,948
Effect of unused tax losses not recognised as deferred tax assets	845,965	825,140
	-	-

The tax rate used for the 2025 reconciliations above is the corporate tax rate of 25% (2024: 25%) payable by Australian corporate entities on taxable profits under Australian tax law.

9.2 Income tax recognised directly in equity

	2025	2024
	$	$
Current tax		
Share issue costs	-	-
Deferred tax		
Arising on transactions with owners:		
Share issue costs deductible over 5 years	-	-
	-	-

Income taxes relating to continuing operations (cont'd)

9.3 Unrecognised deferred tax assets in relation to:

	2025 $	2024 $
Unused tax losses (revenue) for which no deferred tax assets have been recognised (i)	13,601,065	11,537,359
Other	174,655	151,712
	13,775,690	11,689,071

9.4 Unrecognised deferred tax (liabilities) in relation to:

	2025 $	2024 $
Intangibles	(462,226)	(462,967)
Other	(55,485)	(67,824)
	(517,711)	(530,791)
Net deferred tax assets	**13,257,979**	**11,158,280**

(i) All unused tax losses were incurred by Australian entities. The figure also includes unused carried forward tax losses of Cynata Australia Pty Ltd ("Cynata Australia"). Cynata Australia is the wholly owned subsidiary of Cynata Inc and Cynata Inc is the wholly owned subsidiary of Cynata Therapeutics Limited.

This benefit for tax losses will only be obtained if the specific entity carrying forward the tax losses derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and the Company complies with the conditions for deductibility imposed by tax legislation.

10. Loss per share

	2025 ¢ / share	2024 ¢ / share
Basic and diluted loss per share	(4.58)	(5.42)

10.1 Basic and diluted loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2025 $	2024 $
Loss for the year attributable to owners of the Company	(9,390,586)	(9,744,709)

	2025 $	2024 $
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	204,950,877	179,631,786

11. Trade and other receivables

	2025	2024
	$	$
Deposits made	3,568	3,568
Other receivables	101,082	109,616
	104,650	113,184

At the reporting date, none of the receivables were past due/impaired. There are no expected credit losses.

12. Intangibles

	2025	2024
	$	$
Carrying value at beginning of year (i)	1,851,868	2,132,600
Additions (ii)	280,000	-
Amortisation (iii)	(282,964)	(280,732)
Net book value of research and development at end of year	1,848,904	1,851,868

(i) The carrying value at beginning of year represents the fair value attributable to interests in research and development of stem cells is due to, and in recognition of, the successful development activities and data generated by Cynata Incorporated as at the acquisition date (1 December 2013), representing progress toward the eventual commercialisation of the relevant technology less accumulated amortisation.

(ii) On 31 July 2024, Cynata issued 916,335 fully paid ordinary shares at a price of $0.251 each for a value of $230,000 to acquire wound dressing technology developed by TekCyte Limited. This technology is a core component of Cynata's Cymerus iPSC-derived MSC topical wound dressing product candidate, CYP-006TK. Cynata also paid $50,000 cash in addition to the issue of the shares, as a milestone payment in accordance with the licence agreement signed in July 2021.

(ii) An amortisation expense of $282,964 has been recognised in profit or loss (2024: $280,732). Refer to note 3.12 for more information on the Group's accounting policy on intangibles and amortisation.

Cost	2025	2024
	$	$
Balance at 1 July	4,821,799	4,821,799
Additions (refer to note 12 above)	280,000	-
Disposals	-	-
Balance at 30 June	5,101,799	4,821,799

Intangibles (cont'd)

Accumulated amortisation	2025	2024
	$	$
Balance at 1 July	2,969,931	2,689,199
Amortisation expense	282,964	280,732
Balance at 30 June	3,252,895	2,969,931

13. Trade and other payables

	2025	2024
	$	$
Trade payables	393,895	431,893
Accrued expenses	547,163	518,734
	941,058	950,627

14. Provisions

	2025	2024
	$	$
Provisions for employee entitlements	275,123	220,428

15. Issued capital

	2025	2024
	$	$
225,954,369 fully paid ordinary shares (2024: 179,631,786)	89,519,207	81,624,596

	30 June 2025		30 June 2024	
Fully paid ordinary shares	No.	$	No.	$
Balance at beginning of year	**179,631,786**	**81,624,596**	**179,631,786**	**81,624,596**
Issue of shares (i)	3,150	945	-	-
Issue of shares (ii)	916,335	230,000	-	-
Issue of shares (iii)	125,000	25,000	-	-
Issue of shares (iv)	125,000	25,000	-	-
Placement (v)	44,444,445	8,000,000	-	-
Issue of shares (vi)	638,886	115,000	-	-
Issue of shares (vii)	69,767	20,930	-	-
Share issue costs	-	(522,264)	-	-
Balance at end of the year	**225,954,369**	**89,519,207**	**179,631,786**	**81,624,596**

(i) Exercise of listed 1 April 2025 options at $0.30 each on 19 July 2024.

(ii) Issue of shares on 31 July 2024 pursuant to a Deed of Assignment of Intellectual Property Rights. Refer to note 12 for more information.

(iii) Issue of shares on 2 September 2024 in consideration for the first instalment for the provision of investor relations services.

(iv) Issue of shares on 8 November 2024 in consideration for the first instalment for the provision of investor relations services.

(v) Issue of shares on 16 December 2024 pursuant to an Institutional Placement at $0.18 per share.

(vi) Issue of Director shares on 23 January 2025 pursuant to a participation of Directors in the Institutional Placement at $0.18 per share.

(vii) Exercise of listed 1 April 2025 options at $0.30 each on 20 February 2025.

16. Reserves

16.1 Share-based payments

	2025	2024
	$	$
Balance at beginning of year	7,906,430	7,677,967
Recognition of share-based payments (i)	260,415	228,463
Issue of unlisted options (ii)	60	-
Balance at end of year	8,166,905	7,906,430

(i) Total expenses arising from share-based payment transactions as a result of vesting of unlisted options to executives, employees and contractors recognised during the year ended 30 June 2025 was $260,415 (2024: $228,463).

(ii) Cash received from the issue of 6,000,000 unlisted options at $0.00001 per option to the lead broker of the Institutional Placement pursuant to a Corporate Advisory Mandate.

Further information about share-based payments is set out in note 18.

16.2 Foreign currency translation reserve

	2025	2024
	$	$
Balance at beginning of year	4,724	4,724
Exchange differences arising on translating the foreign operations	-	-
Balance at end of year	4,724	4,724

Exchange differences relating to the translation of results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

17. Financial instruments

17.1 Capital management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the nature of the business, the Group monitors capital on the basis of current business operations and cash flow requirements. There were no changes in the Group's approach to capital management during the year.

17.2 Categories of financial instruments

	2025	2024
	$	$
Financial assets		
Cash and cash equivalents	5,049,744	6,205,418
Trade and other receivables	104,650	113,184
	5,154,394	6,318,602
Financial liabilities		
Trade and other payables	941,058	950,627
	941,058	950,627
Net financial assets	**4,213,336**	**5,367,975**

The fair value of the above financial instruments approximates their carrying values.

17.3 Financial risk management objectives

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of those risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Group where such impacts may be material. The board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

17.4 Market risk

Market risk for the Group arises from the use of interest-bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate (see 17.5 below).

17.5 Interest rate risk management

Interest rate risk arises on cash and cash equivalents and receivables from related parties. The Group does not enter into any derivative instruments to mitigate this risk. As this is not considered a significant risk for the Group, no policies are in place to formally mitigate this risk.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end on the reporting period.

If interest rates had been 100 basis points higher/ lower and all other variables were held constant, the Group's loss for the year ended 30 June 2025 would (decrease)/increase by $50,497 (2024: $62,054)

17.6 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. At 30 June 2025, the Company had cash denominated in US dollars US$349 (2024: US$211,770). The A$ equivalent at 30 June 2025 is $533 (2024: $317,651). A 5% movement in foreign exchange rates would increase or (decrease) the Group's loss before tax by approximately $27 (2024: $15,833). Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. As at 30 June 2025, the Group has not entered in any forward foreign exchange contracts.

17.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

17.8 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity by maintaining adequate banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Financial instruments (cont'd)

Contractual cash flows	Carrying Amount	Less than 1 month	1-3 months	3-12 months	1 year to 5 years	Total contractual cash flows
	$	$	$	$	$	$
2025						
Trade and other payables	941,058	941,058	-	-	-	941,058
2024						
Trade and other payables	950,627	950,627	-	-	-	950,627

18. Share-based payments

Options may be issued to external consultants or non-related parties without shareholders' approval, where the annual 15% capacity pursuant to ASX Listing Rule 7.1 has not been exceeded. Options cannot be offered to a director or an associate of a director except where approval is given by shareholders at a general meeting.

Each option converts into one ordinary share of Cynata Therapeutics Limited on exercise. The options carry neither right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangements were in existence at balance date (30 June 2025):

Option series	Number	Grant date	Grant date fair value	Exercise price	Expiry date	Vesting date
CYPAB (i)	4,500,000	24 Nov 2020	$0.493	$0.970	29 Nov 2025	Vested
CYPAD (ii)	1,000,000	11 Oct 2021	$0.156	$0.89	11 Oct 2025	Various
CYPAR (iii)	300,000	22 Nov 2022	$0.135	$0.51	23 Nov 2027	Various
CYPAS (iv)	2,033,333	30 Jun 2023	$0.075	$0.176	30 Jun 2028	Various
CYPAE (v)	1,910,000	13 Nov 2023	$0.079	$0.185	20 Nov 2028	Various
CYPAF (vi)	975,000	16 Jan 2024	$0.084	$0.195	16 Jan 2029	Various
CYPAT (vii)	1,800,000	17 Apr 2024	$0.144	$0.290	17 Apr 2029	Various
CYPAU (viii)	1,000,000	13 Sep 2024	$0.190	$0.280	12 Sep 2028	Various
CYPAG (ix)	1,000,000	1 Oct 2024	n/a	$0.300	2 Apr 2026	Vested
CYPAH (ix)	1,000,000	1 Oct 2024	n/a	$0.400	2 Apr 2026	Vested
CYPAL (ix)	1,000,000	1 Oct 2024	n/a	$0.500	2 Apr 2026	Vested
CYPAV (x)	500,000	10 Jun 2025	n/a	$0.400	10 Sep 2026	Vested
CYPAW (x)	750,000	10 Jun 2025	n/a	$0.500	10 Sep 2026	Vested
CYPAX (x)	1,750,000	10 Jun 2025	n/a	$0.600	10 Sep 2026	Vested

(i) Unlisted options issued to Directors and former Directors pursuant to an Employee Option Acquisition Plan.

(ii) Unlisted options issued to Dr Airey pursuant to an Employee Option Acquisition Plan.

(iii) Unlisted options issued to Ms Rolfe pursuant to the terms of her appointment as non-executive director.

(iv) Unlisted options issued to Dr Kelly (2,000,000) pursuant to the terms of his appointment as Managing Director & CEO and to a former Director.

(v) Unlisted options issued to Dr Brooke (500,000), Dr Kelly (750,000), Dr Maher (220,000), Ms Rolfe (220,000) and Dr Wotton (220,000) to ensure alignment with shareholders' interests and to maximise Company value.

(vi) Unlisted options issued to Dr Airey (500,000), Mr Webse (125,000) and other employees of the Company (350,000) pursuant to an Employee Option Acquisition Plan.

(vii) Unlisted options issued to Dr Kroll pursuant to an Employee Option Acquisition Plan.

(viii) Unlisted options issued to an external consultant under Cynata Equity Incentive Plan in lieu of payment of fees.

(ix) Unlisted options issued to the lead broker of the Institutional Placement pursuant to a Corporate Advisory Mandate. These options were issued for $0.00001 per option and the Company received $30 cash consideration.

(x) Unlisted options issued to the lead broker of the Institutional Placement pursuant to a Corporate Advisory Mandate. These options were issued for $0.00001 per option and the Company received $30 cash consideration.

There has been no alteration to the terms and conditions of the above options arrangements since the grant date.

18.1 Fair value of share options

Options were priced using the Black-Scholes pricing model. Expected volatility is based on the historical share price volatility over the past 12 months from grant date.

Unlisted options issued to the lead broker (ix) and (x) have been recorded using the cash consideration received. A Black-Scholes pricing model has been used as a comparison under AASB2 which include the following inputs (a) Exercise price $0.40, $0.50 & $0.60 (b) Grant date fair value $0.215 & $0.172, (c) Volatility 70% (d) Risk-free rate 3.27%. The fair value using B&S for the options issued was not considered materially different to the cash consideration received.

Where relevant, the fair value of the options has been adjusted based on management's best estimate for the effects of non-transferability of the options.

The weighted average exercise price of options granted during the year is $0.444 (2024: $0.227).

The inputs to the Black-Scholes pricing model were as follows:

Inputs	CYPAU
Number of options	1,000,000
Grant date	13 Sept 2024
Grant date fair value	$0.19
Exercise price	$0.28
Expected volatility	93%
Implied option life (years)	4.0
Expected dividend yield	n/a
Risk-free rate	3.50%

Share-based payments (cont'd)

18.2 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	No.	$	No.	$
Balance at beginning of the year	31,895,970	0.423	27,777,637	0.471
Granted during the year	7,000,000	0.444	4,685,000	0.227
Forfeited during the year	-	-	-	-
Exercised during the year	(72,917)	0.300	-	-
Expired during the year	(19,304,720)	0.343	(566,667)	1.200
Balance at end of year	**19,518,333**	**0.509**	**31,895,970**	**0.423**
Exercisable at end of year	7,332,826	0.856	7,648,960	0.990

18.3 Share options exercised during the year

The following share options were exercised during the year (2024: nil):

Option series	Number exercised	Exercise date	Share price at exercise date
CYPOA	3,150	19 Jul 2024	$0.26
CYPOA	69,767	20 Feb 2025	$0.24

18.4 Share options outstanding at the end of the year

Share options outstanding at the end of the year had a weighted average exercise price of $0.509 (2024: $0.423) and a weighted average remaining contractual life of 651 days (2024: 597 days).

19. Key management personnel

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2025 $	2024 $
Short-term employee benefits	1,497,663	1,151,231
Post-employment benefits	91,404	122,948
Share-based payments	212,464	172,114
	1,801,531	**1,446,293**

Short-term employee benefits

These amounts include fees paid to non-executive directors, accrued bonuses, salary and paid leave benefits awarded to executive directors and key management personnel and fees paid to entities controlled by the directors.

Post-employment benefits

These amounts are superannuation contributions made during the year.

Share-based payments

These amounts represent the expense related to the participation of key management personnel in equity -settled benefit schemes as measured by the fair value of the options granted on grant date.

Further information in relation to key management personnel remuneration can be found in the remuneration report contained in the directors' report.

20. Related party transactions

20.1 Entities under the control of the Group

The Group consists of the parent entity, Cynata Therapeutics Limited and its wholly-owned Ireland-based subsidiary Cynata Therapeutics Ireland Limited and US-based subsidiary Cynata Incorporated, which in turns controls 100% of Cynata Australia Pty Ltd, the non-operating entity of Cynata Incorporated.

Balances and transactions between the parent entity and its subsidiaries, which are related parties of the entity, have been eliminated on consolidation and are not disclosed in this note.

20.2 Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to the remuneration report contained in the directors' report, note 18 and note 19.

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

21. Cash and cash equivalents

Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2025 $	2024 $
Cash and bank balances	**5,049,744**	**6,205,418**

21.1 Reconciliation of loss for the year to net cash flows from operating activities

	2025 $	2024 $
Cash flow from operating activities		
Loss for the year	(9,390,586)	(9,744,709)
Adjustments for:		
Share-based payments	260,415	228,463
Amortisation expenses	282,964	280,732
Effects of exchange rate changes	10	1,377
Movements in working capital		
Decrease in trade and other receivables and prepayments	31,735	362,807
Increase/(decrease) in trade and other payables	40,432	(1,116,766)
Increase in annual leave provisions	54,695	27,535
Net cash outflows from operating activities	**(8,720,335)**	**(9,960,561)**

22. Contingent liabilities and contingent assets

The directors are not aware of any significant contingencies at balance date other than a requirement for the payment of royalties pursuant to certain license agreements should future revenues exceed predetermined thresholds.

23. Commitments for expenditure

The Group has entered into several agreements related to research and development activities. As at 30 June 2025, under these agreements, the Company is committed to making payments over future periods, as follows:

	$
During the period 1 July 2025 – 30 June 2026	3,345,195
During the period 1 July 2026 – 30 June 2027	2,106,753
During the period 1 July 2027 – 30 June 2028	1,496,502

Where commitments are denominated in foreign currencies, the amounts have been converted to Australian dollars based on exchange rates prevailing as at 30 June 2025. The Company has the right to terminate the relevant agreements with notice periods that vary between agreements. The committed payments listed above could be materially reduced if the Company chooses to terminate some or all the relevant agreements.

24. Remuneration of auditors

Auditor of the Group	2025	2024
	$	$
Audit and review of the financial statements	**59,507**	**56,036**

The auditor of the Group is Stantons.

25. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

Refer to note 3 for a summary of significant accounting policies relating to the Group.

Financial position	2025	2024
	$	$
Assets		
Current assets	5,349,013	6,536,422
Non-current assets	258,447	-
Total assets	5,607,460	6,536,422
Liabilities		
Current liabilities	941,058	950,627
Provisions	275,123	220,428
Total liabilities	1,216,181	1,171,055
Net assets	**4,391,279**	**5,365,367**
Equity		
Issued capital	89,519,207	81,624,596
Reserves	8,166,906	7,906,430
Accumulated losses	(93,294,834)	(84,165,659)
Total equity	**4,391,279**	**5,365,367**
Financial performance		
Loss for the year	(9,129,175)	(9,463,976)

Commitments and contingencies

There were no material commitments or contingencies at the reporting date for the parent company except for those mentioned in note 22 and note 23 above.

26. Events after the reporting period

On 22 August 2025, the Company entered into an At-the-Market Subscription Agreement ("ATM") with Acuity Capital. The ATM provides Cynata with up to $7,500,000 of standby equity capital over the coming five years, to 31 July 2030. Cynata has full discretion as to whether or not to utilise the ATM, the maximum number of shares to be issued, the minimum issue price of shares and the timing of each subscription (if any). Cynata may terminate the ATM at any time, without cost or penalty. As security, the Company has issued 11,500,000 fully paid ordinary shares in the Company at nil cash consideration.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or state of affairs of the Group in future financial years.

27. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 28 August 2025.

Consolidated Entity Disclosure Statement

Entity name	Entity type	Country of incorporation	Ownership interest	Tax residency
Cynata Incorporated	Company	United States of America	100%	United States of America
Cynata Therapeutics Ireland Limited	Company	Ireland	100%	Ireland
Cynata Australia Pty Ltd	Proprietary limited	Australia	100%	Australia

Basis of preparation

Key assumptions and judgements

Determination of Tax Residency

Section 295 (3A) of the *Corporation Acts 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. For the purposes of this section, an entity is an Australian resident at the end of a financial year if the entity is:

a) an Australian resident (within the meaning of the *Income Tax Assessment Act 1997*) at that time; or

b) a partnership, with at least one partner being an Australian resident (within the meaning of the *Income Tax Assessment Act 1997*) at that time; or

c) a resident trust estate (within the meaning of Division 6 of Part III of the *Income Tax Assessment Act 1936*) in relation to the year of income (within the meaning of that Act) that corresponds to the financial year.

The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the consolidated entity has applied the following interpretations:

- **Australian tax residency**

  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

- **Foreign tax residency**

  The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

ASX Additional Information

As at 22 August 2025

Substantial Shareholders

The names of the substantial shareholders as at 22 August 2025 are:

Name	Shares Held	Issued Capital
	No.	%
Phillip Asset Management Ltd atf BioScience Managers Translation Fund I	23,588,040	9.93
FIL Investment Management (Hong Kong) Limited	20,967,806	8.83

Distribution of Ordinary Shares

Category	Holders	Ordinary Shares	Issued Capital
	No.	No.	%
1 – 1,000	568	331,734	0.14
1,001 – 5,000	907	2,520,509	1.06
5,001 – 10,000	386	3,057,133	1.29
10,001 – 100,000	928	34,724,351	14.62
100,001 and over	275	196,820,642	82.89
	3,094	**237,454,369**	**100.00**

Voting Rights

(a) at meetings of members each member entitled to vote may vote in person or by proxy or attorney;

(b) on a show of hands each person present who is a member has one vote, and on a poll each person present in person or by proxy or by attorney has one vote for each ordinary share held; and

(c) no voting rights attach to listed and unlisted options.

Number of Holders of Unlisted Options

- 4,500,000 unlisted Options exercisable at $0.97 and expiring 29/11/2025 held by 6 holders. Holders holding more than 20% being 2,000,000 held in the name of Dr Geoffrey Brooke (44.44%) and 1,500,000 held in the name of Dr Ross Macdonald (33.33%).
- 1,000,000 unlisted Options issued under the Employee Share Option Acquisition Plan exercisable at $0.89 Options and expiring 11/10/2025 held by 1 holder.
- 1,000,000 unlisted Options exercisable at $0.30 and expiring 2/04/2026 held by 1 holder, Zenix Nominees Pty Ltd.
- 1,000,000 unlisted Options exercisable at $0.40 and expiring 2/04/2026 held by 1 holder, Zenix Nominees Pty Ltd.
- 1,000,000 unlisted Options exercisable at $0.50 and expiring 2/04/2026 held by 1 holder, Zenix Nominees Pty Ltd.
- 500,000 unlisted Options exercisable at $0.40 and expiring 10/09/2026 held by 1 holder, Zenix Nominees Pty Ltd.
- 750,000 unlisted Options exercisable at $0.50 and expiring 10/09/2026 held by 1 holder, Zenix Nominees Pty Ltd.
- 1,750,000 unlisted Options exercisable at $0.60 and expiring 10/09/2026 held by 1 holder, Zenix Nominees Pty Ltd.
- 300,000 unlisted Options exercisable at $0.51 and expiring 23/11/2027 held by 1 holder, Ms Janine Rolfe.
- 2,033,333 unlisted Options exercisable at $0.176 and expiring 30/06/2028, held by 2 holders. Holder holding more than 20% being 2,000,000 in the name of Dr Kilian Kelly (98.36%).
- 1,000,000 unlisted Options issued under the Equity Incentive Plan exercisable at $0.28 and expiring 12/9/2028, held by 1 holder.
- 1,910,000 unlisted Options exercisable at $0.185 and expiring 20/11/2028 held by 5 holders. Holders holding more than 20% being 750,000 held in the name of Mrs Tamara Kelly (39.27%) and 500,000 being held in the name of Dalhigh Pty Ltd <Dalhigh Investments A/C> (26.18%).
- 975,000 unlisted Options issued under the Employee Share Option Acquisition Plan exercisable at $0.195 Options and expiring 16/01/2029, held by 5 holders.
- 1,800,000 unlisted Options issued under the Employee Share Option Acquisition Plan exercisable at $0.29 Options and expiring 17/04/2029, held by 1 holder.

ASX Additional Information (cont'd)

20 Largest Shareholders

Name	Shares Held No.	Issued Capital %
Phillip Asset Management Limited <Bioscience MTF1 A/C>	23,588,040	9.93
HSBC Custody Nominees (Australia) Limited	18,773,698	7.91
Acuity Capital Investment Management Pty Ltd <Acuity Capital Holdings A/C>	11,500,000	4.84
Citicorp Nominees Pty Limited	10,616,446	4.47
Fujifilm Corporation	8,088,403	3.41
National Nominees Limited	7,446,576	3.14
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	4,832,757	2.04
J P Morgan Nominees Australia Pty Limited	4,288,146	1.81
Mr Craig Lawrence Darby	4,213,853	1.77
BNP Paribas Nominees Pty Ltd <Clearstream>	4,103,770	1.73
Kenneth Adrian Raymond Wilson	3,549,905	1.50
Agati Pty Ltd	2,803,862	1.18
Dr Ross Alexander Macdonald	2,000,000	0.84
Mrs Aily Lamb	1,950,000	0.82
Mr David Charles Prodrick	1,700,138	0.72
BNP Paribas Noms Pty Ltd	1,664,747	0.70
Mr Patrick Anthony Walsh	1,594,610	0.67
Mal Washer Nominees Pty Ltd <Mal Washer Family A/C>	1,559,534	0.66
Mr Pawel Rej & Mrs Miroslawa Rej	1,543,036	0.65
Crosswind Trustee Company Limited <Crosswind A/C>	1,520,000	0.64
	117,337,521	**49.41**

Restricted Securities

There are no ASX restricted securities on issue.

On-Market Buy-Back

There is no current on-market buy back.

Unmarketable Parcels

The number of shareholders holding less than a marketable parcel is 1,069.

cynata therapeutics

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