# ASX Appendix 4D

## Half-Year Financial Report to 31 December 2024

### 1. Details of reporting period

| | |
|---|---|
| Name of Entity | Cynata Therapeutics Limited (the Company) |
| ABN | 98 104 037 372 |
| Reporting Period | **31 December 2024** |
| Previous Corresponding Period | 31 December 2023 |
| Presentation Currency | Australian Dollar ($) |

### 2. Results for announcement to the market

| | 31 Dec 2024 ($) | 31 Dec 2023 ($) | Movement (%) | Movement ($) | Up/Down |
|---|---|---|---|---|---|
| Revenue and other income | 1,970,125 | 2,545,712 | 22.61% | (575,587) | Down |
| Loss from ordinary activities after tax attributable to members | 3,649,792 | 4,541,119 | 19.63% | (891,327) | Down |
| Comprehensive loss for the period attributable to members | 3,649,792 | 4,541,119 | 19.63% | (891,327) | Down |

**Brief explanation of any of the figures reported above necessary to enable figures to be understood:**
For further information, refer to the review of operations contained in the directors' report, which forms part of the attached consolidated financial statements.

### 3. Net tangible asset backing

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Net tangible asset backing per ordinary security | 4.21 cents | 5.72 cents |

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

N/A

### 5. Details of Dividends

No dividend has been paid or recommended to be paid for the half-year ended 31 December 2024.

**6. Details of dividend reinvestment plans**

| |
|---|
| N/A |

**7 Details of associate and joint venture entities**

| |
|---|
| N/A |

**8. Foreign entities**

| |
|---|
| N/A |

**9. Audit**

| |
|---|
| This report has been based on accounts that have been subject to an audit review. There are no items of dispute with the auditor and the audit review is not subject to qualification. |

Authorised for release by the Board

Dr Kilian Kelly
***Managing Director & Chief Executive Officer***

27 February 2025

# Cynata Therapeutics Limited

**ABN 98 104 037 372**

## Half year report for the half-year ended

## 31 December 2024

# Corporate directory

**Board of Directors**

| | |
|---|---|
| Dr Geoff Brooke | Non-Executive Chair |
| Dr Kilian Kelly | Managing Director & Chief Executive Officer |
| Dr Paul Wotton | Non-Executive Director |
| Dr Darryl Maher | Non-Executive Director |
| Ms Janine Rolfe | Non-Executive Director |

**Company Secretary**
Mr Peter Webse

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**Website**
www.cynata.com

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

**Share Registry**
Automic Registry Services
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**Stock Exchange**
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525 Collins Street
Melbourne, Victoria 3000

**ASX Code**
CYP – fully paid ordinary shares
CYPOA – listed options

# Half year report for the half-year ended 31 December 2024

## Contents

# Directors' report

The directors of Cynata Therapeutics Limited ("Cynata" or "the Company") submit herewith the interim financial report of Cynata Therapeutics Limited and its controlled entities ("the Group") for the half-year ended 31 December 2024. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

## Directors

The names of directors of the Company during or since the end of the half-year are:

Dr Geoff Brooke
Dr Kilian Kelly
Dr Paul Wotton
Dr Darryl Maher
Ms Janine Rolfe

## Review of operations

The loss of the Group for the half-year ended 31 December 2024, after accounting for an R&D refund of $1,885,140 and after providing for income tax, amounted to $3,649,792 compared to a loss of $4,541,119 for the half-year ended 31 December 2023. As at 31 December 2024, cash and cash equivalents were $10,507,906 (30 June 2024: $6,205,418).

## Key highlights

- **Phase 1 clinical trial in diabetic foot ulcer (DFU) completed: CYP-006TK demonstrated to be safe and well tolerated, with positive efficacy data indicating substantially improved wound healing for CYP-006TK compared to the standard of care control group**
- **Phase 2 clinical trial in acute graft-versus-host disease (aGvHD): recruitment now >40% complete, with the rate of recruitment substantially accelerating in recent months; primary results still anticipated late 2025**
- **Phase 1 clinical trial in kidney transplantation: first patient treated; completion of first cohort anticipated in Q1 2025**
- **Phase 3 clinical trial in osteoarthritis: all patients have completed study treatment; results expected in 1H 2026**
- **Preclinical efficacy data in pulmonary fibrosis study published in peer-reviewed journal**
- **Acquisition of wound dressing technology from TekCyte completed**
- **Balance sheet strengthened via $1.88m R&D Tax Incentive rebate and $8.10m institutional placement**
- **Strong cash balance of $10.51m at end of the half-year with forecast cash runway into mid-2026**

### Research and Development Pipeline

#### CYP-006TK

CYP-006TK is Cynata's Cymerus™ iPSC[1]-derived MSC[2] topical wound dressing product candidate, which comprises MSCs seeded onto a novel silicone dressing. This product was used in Cynata's Phase 1 clinical trial in DFU.

[1] iPSC = induced pluripotent stem cell
[2] MSC = mesenchymal stem (or stromal) cell

***Phase 1 Clinical Trial in DFU – Trial Complete; CYP-006TK Demonstrates Safety and Efficacy***

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. In this trial, CYP-006TK was investigated as a potential treatment to promote wound healing in patients with DFU.

During the half-year, Cynata completed this trial, with results announced on 5 December 2024:[3]

- 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.
- The mean change from baseline in wound surface area was:
    - After 12 weeks, a decrease (improvement) of 181 $mm^2$ in the CYP-006TK group, and an increase (deterioration) of 355 $mm^2$ in the standard of care control group.
    - After 24 weeks (end of study), a decrease (improvement) of 261 $mm^2$ in the CYP-006TK group, and an increase (deterioration) of 62 $mm^2$ in the standard of care control group.
- The mean change from baseline in wound surface area expressed as a percentage was:
    - After 12 weeks, a decrease (improvement) 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, a decrease (improvement) of 83.6% in the CYP-006TK group compared to a decrease of 47.8% in the standard of care control group.
- The study also indicates that larger wounds in particular healed to a greater extent in the CYP-006TK group compared to the standard of care control group.

These results further exemplify the commercial attractiveness of the broader Cymerus™ platform. The Company is now working on the next steps for the DFU program, including strategic planning for further clinical development, engagement with regulatory agencies and engagement with potential commercial partners.

**CYP-001**

CYP-001 is Cynata's Cymerus™ off-the-shelf iPSC-derived MSC product for intravenous infusion, which is currently in clinical development for two indications (aGvHD and kidney transplantation). The US FDA has granted Orphan Drug Designation[4] to CYP-001 for the treatment of aGvHD.

***Phase 2 Clinical Trial in aGvHD – Recruitment Continues; Results Anticipated by Late 2025***

aGvHD is a potentially life-threatening complication of bone marrow transplants or similar procedures. It arises when immune cells in the transplant (the graft) attack the recipient's tissues (the host) as "foreign". In this trial, CYP-001 is being investigated as a potential immune modulating treatment for aGvHD. This global Phase 2 trial aims to enrol approximately 60 patients with High-Risk aGvHD (HR-aGvHD), who will be randomised to receive either steroids plus CYP-001, or steroids plus placebo. The Company is confident the trial will build on the success of its Phase 1 trial in GvHD, which generated positive safety and efficacy results and led to two publications in the prestigious peer-reviewed journal *Nature Medicine*.[5,6]

[3] Please refer to ASX announcement released on 5 December 2024 for full details.
[4] Orphan Drug Designation qualifies Cynata for incentives including extended marketing exclusivity, tax credits and fee waivers.
[5] Bloor AJC, et al. Nat Med. 2020;26:1720–1725.
[6] Kelly K, et al. Nat Med. 2024;30:1556–1558.

Patient enrolment is now more than 40% complete, following a substantial increase in the rate of enrolment in recent months. The Company anticipates completing patient enrolment in the first half of 2025 and releasing the primary results in late 2025.

***Phase 1 Clinical Trial in Kidney Transplantation – First Patient Enrolled***

Patients who receive a kidney transplant typically require long-term treatment with immunosuppressant drugs to prevent rejection of the transplanted organ. Immunosuppressants known as calcineurin inhibitors are effective at preventing rejection, but they are associated with very serious toxicities. In this trial, CYP-001 is being investigated as a potential immune modulating treatment in patients who have received a kidney transplant. If successful, this could facilitate dose reduction or withdrawal of calcineurin inhibitors, which would be expected to reduce or avoid toxicity.

This trial is being undertaken in collaboration with Leiden University Medical Centre (LUMC), in the Netherlands, which will fund and manage the trial, under the leadership of Prof Ton Rabelink. Cynata will provide CYP-001 for use in the trial, while retaining full commercial rights to use the data.

The first patient was treated with CYP-001 during the half-year (announced on 12 December 2024). The Company anticipates that LUMC will complete the enrolment of patients in the first cohort during Q1 calendar year 2025, with results from that cohort expected soon thereafter. The trial aims to recruit a total of up to 16 patients who have undergone a kidney transplant. The first six patients will receive either one (n=3) or two (n=3) infusions of CYP-001, in addition to standard treatment. Subject to favourable safety review of the initial cohorts, a further ten patients will receive two infusions of CYP-001, followed by tacrolimus dose reduction.

**CYP-004**

CYP-004 is Cynata's Cymerus™ off-the-shelf iPSC-derived MSC product for intra-articular injection (injection into a joint).

***Phase 3 Clinical Trial in Osteoarthritis – Recruitment Complete; Patient Follow-up Ongoing***

Osteoarthritis is a chronic inflammatory joint disease that causes pain and disability, which affects over two million people in Australia[7] and over 500 million people worldwide.[8] In this trial, CYP-004 is being investigated as a potential treatment to reduce pain, inflammation and cartilage degeneration in patients with osteoarthritis of the knee.

Known as the SCUlpTOR[9] trial, this randomised and placebo-controlled Phase 3 trial is being conducted by the University of Sydney, under the leadership of Professor David Hunter, with funding provided under an Australian Government National Health and Medical Research Council (NHMRC) project grant. The co-primary endpoints of the trial are (i) the proportion of participants achieving patient-acceptable symptom state (PASS) for knee pain at 24 months; and (ii) central medial femorotibial (cMFT) cartilage thickness change from baseline to 24 months, as assessed by magnetic resonance imaging (MRI).

Patient recruitment was completed in November 2023, with a total of 321 participants enrolled. All patients have now completed their study treatment. The follow-up period (two years after the first dose of study treatment) is expected to conclude in November 2025, with results expected in the first half of 2026.

[7] Australian Institute of Health and Welfare. Chronic musculoskeletal conditions: arthritis. 14 December 2023.
[8] World Health Organization. Fact Sheet – Osteoarthritis. 14 July 2023.
[9] SCUlpTOR = Stem Cells as a symptom- and strUcture-modifying Treatment for medial tibiofemoral OsteoaRthritis

**Preclinical Pipeline**

***Publication of Study of Cymerus™ MSCs in Pulmonary Fibrosis Model***

During the half-year (announced on 8 August 2024), a study of Cymerus™ MSCs in a preclinical model of pulmonary fibrosis was published in the peer-reviewed journal *Biomedicine & Pharmacotherapy*.[i] The study was conducted by Professor Chrishan Samuel (Monash Biomedicine Discovery Fellow and Head of the Fibrosis Laboratory, Department of Pharmacology at Monash University) in mice subjected to bleomycin (BLM)-induced pulmonary fibrosis, which mimics features of idiopathic pulmonary fibrosis (IPF) in humans.

IPF is a chronic lung disease of unknown cause, characterised by lung scarring and stiffening, which leads to a progressively worsening difficulty in breathing. There is no known cure, and the condition is often fatal, with a reported median survival of between two and five years from diagnosis.[ii,iii]

The study found that a single or double intravenous administration of Cymerus™ MSCs had beneficial effects, including:

- reduced lung inflammation
- reduced damage to cells in the lungs
- reduced several measures of lung fibrosis
- promoted the balance between enzymes that facilitate the breakdown of fibrosis
- reduced lung stiffness

**Corporate Update**

**Acquisition of CYP-006TK Wound Dressing Technology from TekCyte**

During the half-year (announced on 1 July 2024), the Company entered into an agreement with TekCyte Limited (TekCyte) to secure outright ownership of the underlying technology utilised in CYP-006TK, Cynata's Cymerus™ iPSC -derived MSC topical wound dressing product candidate. The technology is based on proprietary surface modification techniques, to produce polymer-coated dressings for the delivery of MSCs to wounds. This acquisition was completed on 31 July 2024, following completion of the assignment of the relevant intellectual property to Cynata. In consideration of this acquisition, Cynata issued shares to the value of $230,000 to TekCyte.

**Intellectual Property Portfolio**

Cynata continues to strengthen its robust intellectual property portfolio, which comprises several different in-licensed and Company-owned patent families.

During the half-year:

- The patent certificate was issued by the European Patent Office, and a notice of eligibility for grant was issued by the Intellectual Property Office of Singapore, for a Cynata-owned patent application entitled "*Method for Treating Allergic Airways Disease (AAD/Asthma)*", which describes a method of use of Cymerus MSC products in treating diseases of the lungs and airways.
- The patent certificate was issued by the Brazilian Patent and Trademark Office for a patent application entitled "*Colony Forming Medium and Use Thereof*", which relates to the optimisation of the Cymerus process by Cynata.

**Finance**

During the half-year, the Company strengthened its balance sheet via receipt of a $1.88m R&D Tax Incentive rebate in November 2024, followed by an $8.10m (before costs) institutional placement in December 2024.

The Company closed the half-year ended 31 December 2024 with $10.51m in cash., and anticipates its cash runway to extend into mid calendar year 2026.

**Outlook**

The Company is in a strong position to achieve its operational and growth objectives for FY25 and beyond. During the remainder of this financial year, the Company anticipates the following milestones:

- Results of the first patient cohort in the kidney transplantation trial
- Completion of patient enrolment in the GvHD trial

We wish to thank our shareholders for their ongoing support.

## Subsequent events

On 23 January 2025, the Company issued 638,886 fully paid ordinary shares to its directors (or nominees) ("Director Shares") as approved at the General Meeting held on 21 January 2025. The issue of the Director Shares to directors of the Company completes the share placement which was announced to the ASX on 6 December 2024.

On 20 February 2025, the Company issued 69,767 fully paid ordinary shares following the exercise of 69,767 listed options at $0.30 each by Dr Paul Wotton. Dr Wotton is a non-executive director of the Company.

There has not been any other matter or circumstance occurring subsequent to the end of the half-year ended 31 December 2024 to the date of this report 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.

## Auditor's independence declaration

The auditor's independence declaration for the half-year ended 31 December 2024 has been received and is included on page 6 of this half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001.*

On behalf of the directors

Dr Kilian Kelly
**Managing Director & Chief Executive Officer**

Melbourne, 27 February 2025

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27 February 2025

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

Dear Sirs

**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 review of the financial statements of Cynata Therapeutics Limited for the half-year ended 31 December 2024, 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 review; and

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

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**

**Martin Michalik**
**Director**

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

## Report on the Half-Year Financial Report

### *Conclusion*

We have reviewed the half-year financial report of Cynata Therapeutics Limited ("the Company") and its controlled entities (collectively "the Group"), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that causes us to believe that the accompanying half-year financial report of Cynata Therapeutics Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of Cynata Therapeutics Limited's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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* has been given to the directors of the Company on 27 February 2025.

### *Responsibility of the Directors for the Financial Report*

The directors of Cynata Therapeutics Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Stantons

***Auditor's Responsibility for the Review of the Financial Report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Stantons International Audit & Consulting Pty Ltd

**Martin Michalik**
Director

West Perth, Western Australia
27 February 2025

# Directors' declaration

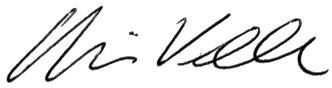
The directors declare that:

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

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 *Interim Financial Reporting* and give a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors



Dr Kilian Kelly
**Managing Director & Chief Executive Officer**

Melbourne, 27 February 2025

# Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2024

| | Note | Half-year ended 31 Dec 2024 $ | Half-year ended 31 Dec 2023 $ |
|---|---|---|---|
| Interest income | 5 | 84,985 | 230,069 |
| Other income | 5 | 1,885,140 | 2,315,643 |
| **Total income** | | **1,970,125** | **2,545,712** |
| Product development and marketing costs | | (3,374,322) | (5,019,833) |
| Employee benefits expenses | | (1,026,421) | (956,340) |
| Share based payments expenses | 10 | (152,176) | (78,072) |
| Amortisation expenses | 8 | (136,685) | (140,366) |
| Other operational expenses | 6 | (930,313) | (892,220) |
| **(Loss) before income tax** | | **(3,649,792)** | **(4,541,119)** |
| Income tax expense | | - | - |
| **(Loss) for the period** | | **(3,649,792)** | **(4,541,119)** |
| **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/(loss) for the period, net of income tax** | | - | - |
| **Total comprehensive (loss) for the period** | | **(3,649,792)** | **(4,541,119)** |
| **(Loss) attributable to:** | | | |
| Owners of Cynata Therapeutics Limited | | **(3,649,792)** | **(4,541,119)** |
| **Total comprehensive (loss) attributable to:** | | | |
| Owners of Cynata Therapeutics Limited | | **(3,649,792)** | **(4,541,119)** |
| **(Loss) per share:** | | | |
| Basic and diluted (cents per share) | | (1.98) | (2.53) |

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

# Consolidated statement of financial position as at 31 December 2024

| | Note | 31 Dec 2024 $ | 30 Jun 2024 $ |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | | 10,507,906 | 6,205,418 |
| Other receivables | 7 | 179,905 | 113,184 |
| Prepayments | | 176,685 | 217,820 |
| **Total current assets** | | **10,864,496** | **6,536,422** |
| | | | |
| **Non-current assets** | | | |
| Intangibles | 8 | 1,995,183 | 1,851,868 |
| **Total non-current assets** | | **1,995,183** | **1,851,868** |
| **Total assets** | | **12,859,679** | **8,388,290** |
| | | | |
| **Current liabilities** | | | |
| Trade and other payables | | 1,139,392 | 950,627 |
| Provisions | | 233,380 | 220,428 |
| **Total current liabilities** | | **1,372,772** | **1,171,055** |
| **Total liabilities** | | **1,372,772** | **1,171,055** |
| **Net assets** | | **11,486,907** | **7,217,235** |
| | | | |
| **Equity** | | | |
| Issued capital | 9 | 89,391,854 | 81,624,596 |
| Option reserves | 10 | 8,058,636 | 7,906,430 |
| Foreign currency translation reserve | | 4,724 | 4,724 |
| Accumulated losses | | (85,968,307) | (82,318,515) |
| **Total equity** | | **11,486,907** | **7,217,235** |

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

# Consolidated statement of changes in equity for the half-year ended 31 December 2024

| | Issued Capital $ | Option Reserve $ | Foreign currency translation reserve $ | Accumulated losses $ | Total $ |
|---|---|---|---|---|---|
| **Balance at 1 July 2023** | **81,624,596** | **7,677,967** | **4,724** | **(72,573,806)** | **16,733,481** |
| (Loss) for the period | - | - | - | (4,541,119) | (4,541,119) |
| Other comprehensive income/(loss), net of tax | - | - | - | - | - |
| **Total comprehensive (loss) for the period** | **-** | **-** | **-** | **(4,541,119)** | **(4,541,119)** |
| Share based payments | - | 78,072 | - | - | 78,072 |
| **Balance at 31 December 2023** | **81,624,596** | **7,756,039** | **4,724** | **(77,114,925)** | **12,270,434** |
| | | | | | |
| **Balance at 1 July 2024** | **81,624,596** | **7,906,430** | **4,724** | **(82,318,515)** | **7,217,235** |
| (Loss) for the period | - | - | - | (3,649,792) | (3,649,792) |
| Other comprehensive income/(loss), net of tax | - | - | - | - | - |
| **Total comprehensive (loss) for the period** | **-** | **-** | **-** | **(3,649,792)** | **(3,649,792)** |
| Issue of ordinary shares | 8,280,945 | - | - | - | 8,280,945 |
| Share issue costs | (513,687) | - | - | - | (513,687) |
| Share based payments | - | 152,206 | - | - | 152,206 |
| **Balance at 31 December 2024** | **89,391,854** | **8,058,636** | **4,724** | **(85,968,307)** | **11,486,907** |

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

# Consolidated statement of cash flows for the half-year ended 31 December 2024

| | Note | Half-year ended 31 Dec 2024 $ | Half-year ended 31 Dec 2023 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Other income | | - | 21,960 |
| Research and development rebate received | | 1,885,140 | 2,315,643 |
| Payments to suppliers and employees | | (2,160,717) | (1,924,678) |
| Interest received | | 129,949 | 278,845 |
| Product development costs paid | | (2,779,747) | (5,544,510) |
| Net cash (used) in operating activities | | (2,925,375) | (4,852,740) |
| **Cash flows from investing activities** | | | |
| Payments to acquire intellectual property | 8 | (50,000) | - |
| Net cash (used) in investing activities | | (50,000) | - |
| **Cash flows from financing activities** | | | |
| Proceeds from issues of shares and other equity securities | | 8,000,975 | - |
| Transaction costs related to issues of equity securities | | (510,627) | - |
| Net cash provided by financing activities | | 7,490,348 | - |
| **Net increase/(decrease) in cash and cash equivalents** | | **4,514,973** | **(4,852,740)** |
| Cash and cash equivalents at the beginning of the period | | 6,205,418 | 16,167,356 |
| Effect of exchange rate fluctuations | | (212,485) | (147,478) |
| **Cash and cash equivalents at the end of the period** | | **10,507,906** | **11,167,138** |

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

# Condensed notes to the consolidated financial statements for the half-year ended 31 December 2024

## 1. General information

### Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with annual financial statements of the Company for the year ended 30 June 2024 together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by the directors on 27 February 2025.

### Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2024 annual financial report for the financial year ended 30 June 2024, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### Principles of consolidation

The consolidated financial statements incorporate all assets, liabilities and results of the parent and all of its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the consolidated entity from the date on which control is obtained by the Company. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

### Significant accounting judgements and key estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these half-yearly statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2024.

## 2. Adoption of new and revised Australian Accounting Standards

***New and amended Accounting Standards that are effective for the current period***

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (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. Segment information

The Group operates in one business segment, namely the development and commercialisation of therapeutic products. AASB 8 Operating Segments states that similar operating segments can be aggregated to form one reportable segment. However, none of the operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Group has therefore decided to aggregate all its reporting segments into one reportable segment.

The revenue and results of this segment are those of the Group as a whole and are set out in the consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities are those of the Group and set out in the consolidated statement of financial position.

## 4. Dividends

No dividends were paid or declared for the half-year ended 31 December 2024 and the directors have not recommended the payment of a dividend.

## 5. Interest income and other income

| | 31 Dec 2024<br>$ | 31 Dec 2023<br>$ |
|---|---|---|
| **Interest income** | | |
| Interest income | 84,985 | 230,069 |
| **Other income** | | |
| Research and development rebate received | 1,885,140 | 2,315,643 |

## 6. Other operational expenses

| | 31 Dec 2024 $ | 31 Dec 2023 $ |
|---|---|---|
| Accounting and audit fees | 81,344 | 75,171 |
| Consultants and advisory fees | 138,420 | 222,250 |
| Company secretarial fees | 55,986 | 56,039 |
| Directors' fees | 154,665 | 170,694 |
| Investor/public relations | 57,397 | 28,959 |
| Legal fees | 211,191 | 150,519 |
| Other general expenses | 231,310 | 188,588 |
| | 930,313 | 892,220 |

## 7. Other receivables

| | 31 Dec 2024 $ | 30 Jun 2024 $ |
|---|---|---|
| Deposits | 3,568 | 3,568 |
| Other receivables | 176,337 | 109,616 |
| | 179,905 | 113,184 |

None of the receivables are past due at the reporting date.

## 8. Intangibles

| | 31 Dec 2024 $ | 30 Jun 2024 $ |
|---|---|---|
| Balance at the beginning of the period (i) | 1,851,868 | 2,132,600 |
| Additions (ii) | 280,000 | - |
| Amortisation (iii) | (136,685) | (280,732) |
| Balance at the end of the period | 1,995,183 | 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.

(iii) An amortisation expense of $136,685 has been recognised in profit or loss for the half-year ended 31 December 2024 (31 December 2023: $140,366). For more information on the Group's accounting policy on intangibles and amortisation, refer to the 2024 annual financial report.

## 9. Issued capital

| | 31 Dec 2024 $ | 30 Jun 2024 $ |
|---|---|---|
| Fully paid ordinary shares | 89,391,854 | 81,624,596 |

| Fully paid ordinary shares | 31 Dec 2024 | | 30 Jun 2024 | |
|---|---|---|---|---|
| | No. | $ | No. | $ |
| Balance at beginning of period | 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 | - | - |
| Share issue costs | - | (513,687) | - | - |
| | 225,245,716 | 89,391,854 | 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 8 for further information.
(iii) Issue of shares on 2 September 2024 in consideration for the first instalment for the provision of investor relation services.
(iv) Issue of shares on 8 November 2024 in consideration for the second instalment for the provision of investor relation services.
(v) Issue of shares on 16 December 2024 pursuant to an Institutional Placement at $0.18 per share.

## 10. Option reserves

| ***Share-based payments*** | 31 Dec 2024 $ | 30 Jun 2024 $ |
|---|---|---|
| Balance at beginning of period | 7,906,430 | 7,677,967 |
| Recognition share-based payments (i) | 152,176 | 228,463 |
| Issue of unlisted options (ii) | 30 | - |
| Balance at end of period | 8,058,636 | 7,906,430 |

The equity-settled employee benefits reserve arises on the grant of share options to executives, employees, consultants and advisors.

(i) Total amount arising from share-based payment transactions as a result of the vesting of unlisted options recognised during the half-year ended 31 December 2024 was $152,176 (30 June 2024: $228,463).

(ii) Cash received from the issue of 3,000,000 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 11.

## 11. 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 dividend nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

## 11. Share-based payments (continued)

During the half-year ended 31 December 2024, the Company recorded the following share-based payment:

(i) Issue of 1,000,000 unlisted options exercisable at $0.28 expiring on or before 12 September 2028 to an external consultant under Cynata Equity Incentive Plan in lieu of payment of fees ("**Consultant Options**").

***Fair Value***

The Black-Scholes option pricing model was used to determine the fair value of the Consultant Options. The inputs to the model and valuation were as follows:

| | Consultant Options |
|---|---|
| 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% |

***Options on issue as at reporting date***

The following options arrangements were on issue at the reporting date:

| Number of options | Grant Date | Exercise Price | Expiry Date |
|---|---|---|---|
| 4,500,000 | 24 November 2020 | $0.970 | 29 November 2025 |
| 1,000,000 | 11 October 2021 | $0.890 | 11 October 2025 |
| 300,000 | 22 November 2022 | $0.510 | 23 November 2027 |
| 18,174,487 | 1 June 2023 | $0.300 | 1 April 2025 |
| 2,033,333 | 30 June 2023 | $0.176 | 30 June 2028 |
| 1,910,000 | 13 November 2023 | $0.185 | 20 November 2028 |
| 975,000 | 16 January 2024 | $0.195 | 16 January 2029 |
| 1,800,000 | 17 April 2024 | $0.290 | 17 April 2029 |
| 1,000,000 | 13 September 2024 | $0.280 | 12 September 2028 |
| 1,000,000 (i) | 1 October 2024 | $0.300 | 2 April 2026 |
| 1,000,000 (i) | 1 October 2024 | $0.400 | 2 April 2026 |
| 1,000,000 (i) | 1 October 2024 | $0.500 | 2 April 2026 |

*(i) these options were issued for $0.00001 per option and the Company received $30 cash for these options.*

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

## 12. Contingent liabilities and contingent assets

There has been no significant change in contingent liabilities and/or contingent assets since the last annual report.

## 13. Commitments

***Research & development commitments***

The Group has entered into a number of agreements related to research and development activities. As at 31 December 2024, under these agreements, the Company is committed to making payments over the future period, as follows:

| | A$ |
|---|---|
| - During the period 1 Jan 2025 – 30 June 2025 | 2,185,845 |
| - During the period 1 July 2025 – 30 June 2026 | 2,936,099 |
| - During the period 1 July 2026 – 30 June 2027 | 1,314,997 |

Where commitments are denominated in foreign currencies, the amounts have been converted to Australian dollars based on exchange rates prevailing as at 31 December 2024.

## 14. Subsequent events

On 23 January 2025, the Company issued 638,886 fully paid ordinary shares to its directors (or nominees) ("Director Shares") as approved at the General Meeting held on 21 January 2025. The issue of the Director Shares to directors of the Company completes the share placement which was announced to ASX on 6 December 2024.

On 20 February 2025, the Company issued 69,767 fully paid ordinary shares following the exercise of 69,767 listed options at $0.30 each by Dr Paul Wotton. Dr Wotton is a non-executive director of the Company.

There has not been any other matter or circumstance occurring subsequent to the end of the half-year ended 31 December 2024 to the date of this report 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.

[i] Chakraborty A, et al. Biomedicine & Pharmacotherapy. 2024:178: 117259.
[ii] Raghu et al, Am J Respir Crit Care Med. 2011;183(6):788-824.
[iii] Zheng et al, ERJ Open Res. 2022 Jan; 8(1): 00591-2021.