ASX Appendix 4D

Half-Year Financial Report to 31 December 2025

1. Details of reporting period

Name of Entity	Cynata Therapeutics Limited (the Company)
ABN	98 104 037 372
Reporting Period	**31 December 2025**
Previous Corresponding Period	31 December 2024
Presentation Currency	Australian Dollar ($)

2. Results for announcement to the market

	31 Dec 2025 ($)	31 Dec 2024 ($)	Movement (%)	Movement ($)	Up/Down
Revenue and other income	1,772,274	1,970,125	10.04%	(197,851)	Down
Loss from ordinary activities after tax attributable to members	2,662,437	3,649,792	27.05%	(987,355)	Down
Comprehensive loss for the period attributable to members	2,662,437	3,649,792	27.05%	(987,355)	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 report.

3. Net tangible asset backing

	31 December 2025	31 December 2024
Net tangible asset backing per ordinary security	0.70 cents	4.21 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 2025.

6. Details of dividend reinvestment plans

N/A

7 Details of associate and joint venture entities

N/A

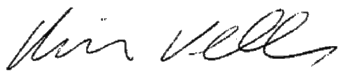
8. Foreign entities

N/A

9. Audit

This report is based on accounts that have been subject to an audit review. The Independent Auditor's Report contains a paragraph drawing attention to a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The attached consolidated financial report has been prepared on a going concern basis. There are no items of dispute with the auditor.

Authorised for release by the board



Dr Kilian Kelly
Managing Director & Chief Executive Officer

26 February 2026

Cynata Therapeutics Limited

ABN 98 104 037 372

Half year report for the half-year ended

31 December 2025

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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Automic Registry Services
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525 Collins Street
Melbourne, Victoria 3000

ASX Code
CYP – fully paid ordinary shares

Half year report for the half-year ended 31 December 2025

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 2025. 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 2025, after accounting for an R&D refund of $1,711,618 and after providing for income tax, amounted to $2,662,437 compared to a loss of $3,649,792 for the half-year ended 31 December 2024. As at 31 December 2025, cash and cash equivalents were $2,588,297 (30 June 2025: $5,049,744).

Key highlights

- *Phase 3 osteoarthritis trial: final patient visits completed in one of the largest MSC trials globally, with results expected in Q2 CY 2026.*
- *Phase 2 aGvHD trial: patient enrolment completed, with results expected in June 2026.*
- *Phase 1/2 kidney transplantation trial: first cohort completed following a positive independent DSMB review, now progressing with second cohort.*
- *Cash runway anticipated to extend into mid-calendar year 2026: cash balance of ~$2.6m at end of the half-year, with a further ~$1.2m raised subsequently via the ATM facility.*
- *Engagement with regulators, potential partners and other global stakeholders continues.*
- *Intellectual property portfolio further strengthened, with several patent allowances and grants across the US and Europe.*

Research and Development Pipeline

Phase 2 Acute Graft Versus Host Disease Trial

In December 2025, patient enrolment was completed in the Company's Phase 2 clinical trial of CYP-001 in adults with newly diagnosed, high risk aGvHD. A total of 65 participants were enrolled in the trial across numerous clinical centres in Australia, the USA, and Europe. Each participant was randomised to receive either steroids plus CYP-001, or steroids plus placebo. The trial involves a 100-day primary evaluation period, which is expected to conclude in March 2026, with results anticipated around June 2026. The primary endpoint is Overall Response Rate at Day 28.

aGvHD is a serious and often life-threatening complication of bone marrow transplantation and similar procedures, where the donor's immune cells (the graft) attack the recipient's tissues (the host). aGvHD affects up to 50% of patients who receive transplants from other donors. Standard first-line treatment with steroids fails in around half of all aGvHD cases, which are known as "steroid-resistant" or SR-aGvHD cases. Historical two-year survival rates in patients with SR-aGvHD are less than 20%.[1]

[1] Westin JR et al. Adv Hematol. 2011;2011:601953

Cynata's Cymerus™ iPSC[2]-derived MSC[3] product, CYP-001, is designed to modulate the immune system and improve both response rates and survival outcomes in aGvHD. In a successful Phase 1 trial in patients with SR-aGvHD, 87% of patients showed an Overall Response, 53% showed a Complete Response, and 60% survived for at least two years. Importantly, there were no serious adverse events or safety concerns related to CYP-001 treatment. This ground-breaking trial led to two publications in the prestigious journal *Nature Medicine.*[4,5] The US FDA has granted Orphan Drug Designation[6] to CYP-001 for the treatment of aGvHD.

Phase 3 Osteoarthritis Trial

The two-year follow-up of participants in the Phase 3 SCUlpTOR[7] trial of CYP-004 in patients with osteoarthritis of the knee was completed in November 2025. Results of the trial are expected to be released in Q2 CY 2026.

Osteoarthritis is a degenerative joint condition affecting over 500 million people globally.[8] Current treatment options are limited to symptom management or invasive surgery, with no disease-modifying therapies currently available.

CYP-004 is Cynata's Cymerus™ iPSC-derived MSC product candidate for intra-articular injection (injection into a joint), designed to calm joint inflammation, relieve pain and protect cartilage. The Phase 3 trial, known as the SCUlpTOR trial, is being conducted by the University of Sydney and funded through an NHMRC[9] project grant. It is being led by Professor David Hunter, the Florance and Cope Chair of Rheumatology and Professor of Medicine at the University of Sydney and Royal North Shore Hospital. The trial enrolled a total of 321 patients, who were randomised to receive either CYP-004 or placebo, with co-primary endpoints assessing change in pain and cartilage thickness (disease modification).

Following an advisory meeting with the Australian Therapeutic Goods Administration, Cynata is optimistic that positive results could support marketing approval of CYP-004 in Australia.

Phase 1/2 Kidney Transplantation Trial

During the half-year, enrolment of the first cohort of patients was completed in the Phase 1/2 clinical trial of CYP-001 in kidney transplant recipients. The independent Data and Safety Monitoring Board (DSMB) then completed its planned review of this cohort, recommending that the trial continues as planned.

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.

Each of the three patients in Cohort 1 received a single intravenous infusion of CYP-001 approximately six weeks after receiving a kidney transplant, in addition to standard treatment. There were no episodes of kidney transplant rejection in this cohort, and no safety concerns have been identified. Following the successful DSMB review, LUMC now plans to progress with Cohort 2 in this trial. This will involve a further three patients, each of whom will receive two infusions of CYP-001, in addition to standard treatment.

Patients undergoing kidney transplantation typically require lifelong immunosuppressive therapy to prevent organ rejection, typically with drugs known as calcineurin inhibitors. These drugs are effective, but they come with serious long-term toxicity and health risks.

Intellectual Property Portfolio

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

[2] iPSC = induced pluripotent stem cell
[3] MSC = mesenchymal stromal (or stem) cell
[4] Bloor AJC, et al. Nat Med. 2020;26:1720–1725
[5] Kelly K, et al. Nat Med. 2024;30:1556–1558
[6] Orphan Drug Designation qualifies Cynata for incentives including extended marketing exclusivity, tax credits and fee waivers.
[7] SCUlpTOR = Stem Cells as a symptom- and strUcture-modifying Treatment for medial tibiofemoral OsteoaRthritis
[8] World Health Organization. Fact Sheet – Osteoarthritis. 14 July 2023
[9] National Health and Medical Research Council

During the half-year:

- A Notice of Allowance was issued by the United States Patent and Trade Mark Office for a Cynata-owned patent application entitled "*Colony Forming Medium and Use Thereof*", which relates to the optimisation of the Cymerus™ process.
- A Notice of Intention to Grant a Patent was issued by the European Patent Office for a Cynata-owned patent application entitled "*Methods and products for delivering cells*", which relates to the technology used in the manufacture of Cynata's wound dressing product, CYP-006TK.
- A Notice of Allowance was issued by the United States Patent and Trade Mark Office for a patent application entitled "*Methods and Materials for Hematoendothelial Differentiation of Human Pluripotent Stem Cells Under Defined Conditions*", which relates to the core technology underpinning the Cymerus™ process, which is exclusively licensed to Cynata by Wisconsin Alumni Research Foundation.

Finance

- During the half-year, the Company strengthened its balance sheet via receipt of a $1.71m R&D Tax Incentive rebate in November 2025.
- The Company closed the half-year ended 31 December 2025 with $2.6m in cash, with a further ~$1.2m raised subsequently via the ATM facility. The Company's cash runway is anticipated to extend into mid-calendar year 2026.

Outlook

Cynata is entering a period focused on the analysis and reporting of clinical data from its leading programs, with two major efficacy trials nearing completion. The Company expects to report results from both its Phase 3 osteoarthritis trial and Phase 2 aGvHD trials in Q2 CY 2026, which will inform the next stage of development and strategic decision-making.

Alongside these readouts, Cynata will continue active engagement with regulatory authorities in Australia and internationally to clarify potential approval pathways and development requirements. The Company is also preparing for next-stage clinical and commercial planning across its pipeline, including evaluation of partnering, licensing and regional development opportunities where appropriate.

Cynata will also continue to assess opportunities to advance its earlier-stage programs, including kidney transplantation and diabetic foot ulcers, building on encouraging data generated to date. The Company remains focused on disciplined capital management to support upcoming milestones.

Subsequent events

On 23 January 2026, $1,204,000 (net of costs) was raised via the Company's At-the-Market Subscription Agreement ("ATM") with Acuity Capital. The ATM facility, which was established in August 2025, provides the Company with a total of up to $7,500,000 of standby equity capital.

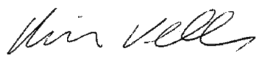
There has not been any other matter or circumstance occurring subsequent to the end of the half-year ended 31 December 2025 to the date of this report that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or state of affairs of the Group in future financial years.

Auditor's independence declaration

The auditor's independence declaration for the half-year ended 31 December 2025 has been received and is included on page 5 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, 26 February 2026

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26 February 2026

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 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 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" or the "Group"), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the 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 2025 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 26 February 2026.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the financial statements have been prepared on a going concern basis. At 31 December 2025 the Group had cash and cash equivalents totalling $2,588,297, cash outflows from operating activities of $2,385,114, and incurred a loss before tax from continuing operations for the half year ended 31 December 2025 of $2,662,437. 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 conclusion is not modified in respect of this matter.

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.

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 2022 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
26 February 2026

Directors' declaration

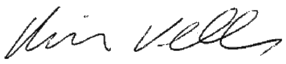
The directors declare that:

(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, 26 February 2026

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2025

	Note	Half-year ended 31 Dec 2025 $	Half-year ended 31 Dec 2024 $
Interest income	5	60,656	84,985
Other income	5	1,711,618	1,885,140
Total income		**1,772,274**	**1,970,125**
Product development and marketing costs		(2,463,899)	(3,374,322)
Employee benefits expenses		(911,765)	(1,026,421)
Share based payments expenses	10	(78,173)	(152,176)
Amortisation expenses	8	(130,253)	(136,685)
Other operational expenses	6	(850,621)	(930,313)
(Loss) before income tax		**(2,662,437)**	**(3,649,792)**
Income tax expense		-	-
(Loss) for the half-year		**(2,662,437)**	**(3,649,792)**
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 half-year, net of income tax		**-**	**-**
Total comprehensive (loss) for the half-year		**(2,662,437)**	**(3,649,792)**
(Loss) attributable to:			
Owners of Cynata Therapeutics Limited		**(2,662,437)**	**(3,649,792)**
Total comprehensive (loss) attributable to:			
Owners of Cynata Therapeutics Limited		**(2,662,437)**	**(3,649,792)**
(Loss) per share:			
Basic and diluted (cents per share)		(1.14)	(1.98)

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 2025

	Note	31 Dec 2025 $	30 Jun 2025 $
Current assets			
Cash and cash equivalents		2,588,297	5,049,744
Other receivables	7	69,614	104,650
Prepayments		135,144	194,618
Total current assets		**2,793,055**	**5,349,012**
Non-current assets			
Intangibles	8	1,718,651	1,848,904
Total non-current assets		**1,718,651**	**1,848,904**
Total assets		**4,511,706**	**7,197,916**
Current liabilities			
Trade and other payables		853,034	941,058
Provisions		270,766	275,123
Total current liabilities		**1,123,800**	**1,216,181**
Total liabilities		**1,123,800**	**1,216,181**
Net assets		**3,387,906**	**5,981,735**
Equity			
Issued capital	9	89,509,642	89,519,207
Option reserves	10	8,245,078	8,166,905
Foreign currency translation reserve		4,724	4,724
Accumulated losses		(94,371,538)	(91,709,101)
Total equity		**3,387,906**	**5,981,735**

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 2025

	Issued Capital $	Option Reserve $	Foreign currency translation reserve $	Accumulated losses $	Total $
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**
Balance at 1 July 2025	**89,519,207**	**8,166,905**	**4,724**	**(91,709,101)**	**5,981,735**
(Loss) for the period	-	-	-	(2,662,437)	(2,662,437)
Other comprehensive income/(loss), net of tax	-	-	-	-	-
Total comprehensive (loss) for the period	**-**	**-**	**-**	**(2,662,437)**	**(2,662,437)**
Issue of ordinary shares	-	-	-	-	-
Share issue costs	(9,565)	-	-	-	(9,565)
Share based payments	-	78,173	-	-	78,173
Balance at 31 December 2025	**89,509,642**	**8,245,078**	**4,724**	**(94,371,538)**	**3,387,906**

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 2025

	Note	Half-year ended 31 Dec 2025 $	Half-year ended 31 Dec 2024 $
Cash flows from operating activities			
Research and development rebate received		1,711,618	1,885,140
Payments to suppliers and employees		(1,840,164)	(2,160,717)
Interest received		79,540	129,949
Product development costs paid		(2,336,108)	(2,779,747)
Net cash (used) in operating activities		(2,385,114)	(2,925,375)
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		(9,565)	(510,627)
Net cash (used in)/provided by financing activities		(9,565)	7,490,348
Net (decrease)/increase in cash and cash equivalents		**(2,394,679)**	**4,514,973**
Cash and cash equivalents at the beginning of the period		5,049,744	6,205,418
Effect of exchange rate fluctuations		(66,768)	(212,485)
Cash and cash equivalents at the end of the period		**2,588,297**	**10,507,906**

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 2025

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 2025 together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by the directors on 26 February 2026.

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 2025 annual financial report for the financial year ended 30 June 2025, 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.

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 31 December 2025, the Group had net assets of $3,387,906 (30 June 2025: $5,981,735) and positive working capital of $1,669,265 (30 June 2025: $4,132,831) and in the half-year then ended incurred a loss after tax of $2,662,437 (31 December 2024: $3,649,792) and net operating cash outflows of $2,385,114 (31 December 2024: $2,925,375). As at 31 December 2025, the Group had cash and cash equivalents of $2,588,297 (30 June 2025: $5,049,744).

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.

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 2025.

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 2025.

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. For management purposes, the Group is organised into one main operating segment which involves the development and commercialisation of therapeutic products. All 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.

4. Dividends

No dividends were paid or declared for the half-year ended 31 December 2025 and the directors have not recommended the payment of a dividend.

5. Interest income and other income

	31 Dec 2025 $	31 Dec 2024 $
Interest income		
Interest income	60,656	84,985
Other income		
Research and development rebate received	1,711,618	1,885,140

6. Other operational expenses

	31 Dec 2025 $	31 Dec 2024 $
Accounting and audit fees	86,721	81,344
Consultants and advisory fees	113,178	138,420
Company secretarial fees	56,181	55,986
Directors' fees	160,079	154,665
Investor/public relations	133,541	57,397
Legal fees	119,624	211,191
Other general expenses	181,297	231,310
	850,621	930,313

7. Other receivables

	31 Dec 2025 $	30 Jun 2025 $
Deposits	3,568	3,568
Other receivables	66,046	101,082
	69,614	104,650

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

8. Intangibles

	31 Dec 2025 $	30 Jun 2025 $
Balance at the beginning of the period (i)	1,848,904	1,851,868
Additions (ii)	-	280,000
Amortisation (iii)	(130,253)	(282,964)
Balance at the end of the period	1,718,651	1,848,904

(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 $130,253 has been recognised in profit or loss for the half-year ended 31 December 2025 (30 June 2025: $282,964). For more information on the Group's accounting policy on intangibles and amortisation, refer to the 2025 annual financial report.

9. Issued capital

	31 Dec 2025 $	30 Jun 2025 $
Fully paid ordinary shares	89,509,642	89,519,207

Fully paid ordinary shares	31 Dec 2025		30 Jun 2025	
	No.	$	No.	$
Balance at beginning of period	225,954,369	89,519,207	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
Issue of shares (v)	-	-	44,444,445	8,000,000
Issue of shares (vi)	-	-	638,886	115,000
Issue of shares (vii)	-	-	69,767	20,930
Issue of shares (viii)	11,500,000	-	-	-
Share issue costs	-	(9,565)	-	(522,264)
	237,454,369	89,509,642	225,954,369	89,519,207

(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.
(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.
(viii) Issue of shares on 21 August 2025 pursuant to the At-the-Market Subscription Agreement ("ATM") at nil consideration. 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 utilize the ATM, the maximum number of shares to be issued, the minimum issue price of shares and the timing of each subscription. The shares can be bought back at nil consideration at the expiry of the facility.

10. Option reserves

Share-based payments	31 Dec 2025 $	30 Jun 2025 $
Balance at beginning of period	8,166,905	7,906,430
Recognition share-based payments (i)	78,173	260,415
Issue of unlisted options (ii)	-	60
Balance at end of period	8,245,078	8,166,905

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 2025 was $78,173 (30 June 2025: $260,415).

(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 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.

The Company did not record any share-based payments during the half-year ended 31 December 2025.

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
300,000	22 November 2022	$0.510	23 November 2027
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
500,000 (i)	10 June 2025	$0.400	10 September 2026
750,000 (i)	10 June 2025	$0.500	10 September 2026
1,750,000 (i)	10 June 2025	$0.600	10 September 2026

(i) these options were issued for $0.00001 per option and the Company received $60 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 2025, under these agreements, the Company is committed to making payments over the future period, as follows:

	A$
- During the period 1 Jan 2026 – 30 June 2026	1,701,141
- During the period 1 July 2026 – 30 June 2027	2,099,280
- During the period 1 July 2027 – 30 June 2028	1,490,602

Where commitments are denominated in foreign currencies, the amounts have been converted to Australian dollars based on exchange rates prevailing as at 31 December 2025.

14. Subsequent events

On 23 January 2026, $1,204,000 (net of costs) was raised via the Company's At-the-Market Subscription Agreement ("ATM") with Acuity Capital. The ATM facility, which was established in August 2025, provides the Company with a total of up to $7,500,000 of standby equity capital.

There has not been any other matter or circumstance occurring subsequent to the end of the half-year ended 31 December 2025 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.