

ASX ANNOUNCEMENT

3 September 2014

Cynata Responds to Option Transaction Queries

Cynata Therapeutics Ltd (ASX: CYP) responded today to investor queries about recent trading activity in its December 2014 options (ASX: CYPO) by announcing that a group of investors had acquired a block of these securities in an on-market transaction.

The investor group, led by prominent entrepreneur Mr John King, acquired the options following a review of the Company's activities and prospects.

"We are delighted to welcome Mr King and his colleagues to our securities register", said Dr Stewart Washer, Cynata's Executive Chairman. "John has demonstrated a sophisticated and successful approach to his investments in growth opportunities and we look forward to a long and productive relationship."

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About Cynata Therapeutics (ASX: CYP)

Cynata Therapeutics Ltd (ASX: CYP) is an Australian stem cell and regenerative medicine company that is developing a therapeutic stem cell platform technology, Cymerus™, originating from the University of Wisconsin-Madison, a world leader in stem cell research. The proprietary Cymerus™ technology seeks to address a critical shortcoming in existing methods of production of mesenchymal stem cells (MSCs) for therapeutic use, which is the ability to achieve economic manufacture at commercial scale. Cymerus™ does so through the production of a particular type of MSC precursor, called a mesenchymoangioblast (MCA). The Cymerus™ MCA platform provides a source of MSCs that is independent of donor limitations and provides a potential "off-the-shelf" stem cell platform for therapeutic product use, with a pharmaceutical business model and economies of scale. This has the potential to create a new standard in the emergent arena of stem cell therapeutics and provides both a unique differentiator and an important competitive position.