

ASX ANNOUNCEMENT

18 September 2014

Cynata Announces Landmark Licensing Deal

Cynata Therapeutics Ltd (ASX: CYP) is pleased to announce today that it has entered into a license agreement with Cellular Dynamics International (CDI; Nasdaq: ICEL). The agreement provides Cynata with nonexclusive worldwide rights to a clinical grade human induced pluripotent stem cell (iPSC) line manufactured by CDI. Cynata intends to use this iPSC line as high quality starting material to manufacture its Cymerus[™] mesenchymal stem cell (MSC) products for human therapeutic use.

Cynata's proprietary, patent-protected Cymerus[™] technology enables the scalable manufacture of MSCs for therapeutic use. MSCs derived using the Cymerus[™] technology are manufactured with consistent and reproducible quality and as such do not suffer from the multiple donor-related issues that produce biological variability in MSCs manufactured using other techniques. MSCs are showing very promising results in clinical trials in a broad range of diseases.

"The execution of this license agreement paves a clear path for commercialisation of our Cymerus™ technology through access to an iPSC starting material sourced from CDI, one of the world's foremost human cell technology companies," said Dr Ross Macdonald, Cynata's Chief Executive Officer. "Our technology transfer, up-scaled manufacture process development and pre-clinical activities thus far have proceeded very well and according to plan using iPSC starting materials suitable for this phase. The new clinical grade iPSC line furnished by CDI enables us to manufacture product that is suitable for human therapeutic use as required for our planned clinical trial program and ultimate manufacture of the Cymerus™ product. Our ongoing association with the 'Wisconsin hub of stem cell excellence' is further reinforced with this valuable license from CDI, the founders of which include Dr James Thomson, whose laboratory has earned three separate citations in TIME Magazine's 'Top 10 Discoveries of the Year', and Professor Igor Slukvin, both co-inventors of Cynata's technology".

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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.

About Cellular Dynamics International, Inc. (Nasdaq: ICEL)

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Cellular Dynamics International, Inc. (CDI) is a leading developer and manufacturer of fully functioning human cells in industrial quantities to precise specifications. CDI's proprietary iCell Operating System (iCell O/S) includes true human cells in multiple cell types (iCell products), human induced pluripotent stem cells (iPSCs) and custom iPSCs and iCell products (MyCell Products). CDI's iCell O/S products provide standardized, easy-to-use, cost-effective access to the human cell, the smallest fully functioning operating unit of human biology. Customers use our iCell O/S products, among other purposes, for drug discovery and screening; to test the safety and efficacy of their small molecule and biologic drug candidates; for stem cell banking; and in the research and development of cellular therapeutics. CDI was founded in 2004 by Dr. James Thomson, a pioneer in human pluripotent stem cell research at the University of Wisconsin-Madison. CDI's facilities are located in Madison, Wisconsin, with a second facility in Novato, California. See www.cellulardynamics.com.