



ASX ANNOUNCEMENT

30 June 2016

Cynata Receives Investment Offer from Regience

Melbourne, Australia; 30 June 2016: Australian stem cell and regenerative medicine company, Cynata Therapeutics Ltd (ASX: CYP), announced that Regience K.K. of Japan has offered to make the initial investment of AUD\$400,000 in new ordinary shares in Cynata pursuant to the previously announced agreement for the Strategic Alliance, such shares to be based on a 25% premium to the 10-day Volume Weighted Average Price (VWAP) and subject to a 12-month escrow period.

The Company will fully consider the investment offer having regard to the opportunities which are currently available to the Company in Japan and ultimately what the Board considers to be in the overall best interests of the Company's shareholders. Cynata will update the market with further announcements as appropriate.

Cynata has advised Regience of its appreciation of this interest and that it expects to respond to the offer in more detail shortly.

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About Cynata Therapeutics (ASX: CYP)

Cynata Therapeutics Limited (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 addresses 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™ utilises induced pluripotent stem cells (iPSCs) to produce a particular type of MSC precursor, called a mesenchymoangioblast (MCA). The Cymerus™ platform provides a source of MSCs that is independent of donor limitations and provides an "off-the-shelf" stem cell platform for therapeutic product use, with a pharmaceutical product 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.

Cynata Therapeutics Limited

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