



ASX ANNOUNCEMENT

5 September 2016

Cynata Determines Not to Proceed with Regience Investment Offer

Melbourne, Australia; 5 September 2016: Australian stem cell and regenerative medicine company, Cynata Therapeutics Limited (ASX: CYP), announced that it has conducted a strategic and in-depth review of commercial opportunities in the stem cell and regenerative medicine sector in Japan. Following that review Cynata has today notified Regience K.K. that, under the terms of the 3 March 2016 preliminary agreement, Cynata has decided that it will not accept any investment in Cynata by Regience. This action will enable Cynata to focus attention on other strategic opportunities and the significant external interest which has been expressed in Cynata's proprietary Cymerus™ mesenchymal stem cell (MSC) technology and follows today's earlier announcement in relation to FUJIFILM.

"We have taken the decision not to proceed in our relationship with Regience after a thorough review of our goals and opportunities in Japan and elsewhere, and believe that this is the most appropriate course of action and in the best interests of the Company. We wish Regience every success with its business," said Cynata Managing Director and CEO, Dr Ross Macdonald.

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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.

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