CYNATA FY18 AGM
Chairman's Address

Ladies and gentlemen, this is the second year now that I have had the pleasure of addressing shareholders at the Annual Meeting and provide an update on the substantial progress that has been made by your company over the last twelve months and while there is much to talk about on this front, it is the outlook from here that we are most excited about. I will touch on the outlook later and then invite Ross to provide more detail in his address to you.

We entered this year with a **world first** clinical trial: the first clinical trial using an iPSC-derived allogenic cell therapy product. As we have previously discussed, it is the unique properties of iPSCs that make them the ideal starting material for our therapeutic mesenchymal stem cell products. Through our proprietary Cymerus platform, we are able to manufacture therapeutic MSC's not only at scale, but, also at a consistent and robust quality level which puts Cynata at a significant advantage to other existing forms of stem cell manufacturing. More importantly there is a significant benefit to our potential patients, namely the ability to provide reproducible, high quality potent cell-based therapeutics derived from a state-of -the art well-controlled source, essential for long term success in a regulated industry like Biotechnology.

I am very pleased to be able to review the results of our first phase 1 in-human clinical trials have been very positive and have met all the pre-designed endpoints. Most importantly from the results to date, no treatment-related adverse safety events have been identified and there are also clear efficacy signals. So what does all this mean and why should we care? The answer is very clear to me: a group of critically ill patients with acute graft-versus-host disease, who had failed all other approved treatment options, showed substantial improvement in their disease after being treated with our Cymerus MSCs. We have been able to demonstrate a meaningful impact on these brave patient's lives which is something as a company, we are immensely proud of. As Cynata shareholders you should be proud also of your contribution to medicine.

I would like to acknowledge the passion and dedication of the management team led by Ross who have all worked incredibly hard to bring the company to this point. I'm sure the patients we mentioned earlier would also acknowledge this if they could be present today. Much has been achieved over the last 12 months. However, shareholders have a lot to look forward to over the coming 12 months and beyond. I can assure you that we have a lot more to contribute in this new era of cell therapy.

The positive data from the phase 1 clinical trial in GvHD, particularly the positive safety profile that emerged, has enabled the company to consider the next steps in the development of the Cymerus technology. Not only have we commenced planning for a phase 2 clinical trial program for GvHD expected to commence in 2019, we have also carefully selected the next trial candidate for testing, being Critical Limb Ischemia. During the year the Company engaged the services of Boston-based healthcare consultancy, Clearview Healthcare Partners to help with this selection process. A phase 2 trial for CLI is also expected to commence in 2019. We look forward to being

able to communicate the schedules for these phase 2 trials once they have been fully developed. With planning for these two programs underway, we continue on the path towards commercialisation where it is estimated that the combined market opportunity for GvHD and CLI is approximately US$1.7 billion per annum and growing.

While our phase 2 work will obviously provide important milestones for the company during 2019, there are several other opportunities that have been identified which will enable us to expand our product portfolio. During the year we made advancements in pre-clinical studies using Cymerus MSCs in heart attack, asthma and diabetic ulcers. We have also added new indications to the target portfolio, including coronary artery disease (CAD), sepsis, diabetic wounds and for Cymerus MSCs to be potentially used as an adjunct to immunotherapies such as CAR-T in cancer treatment, to ameliorate the effects of cytokine release syndrome (CRS) a serious adverse reaction that is seen in response to current immunotherapy products.

The company has a truly exciting range of opportunities from pre-clinical to phase 2 trials that it will pursue as we move into 2019. The Board and Management team, collectively with over 150 years international experience in the pharmaceuticals industry, are focused on advancing those products which it believes will improve the chances of successful development and appeal to potential industry partners, to achieve the best possible outcomes for our patients, Cynata and its shareholders.

We are fortunate to have the support of Fujifilm for the continued development of our CYP-001 drug for the treatment of GvHD. Finding the right partners to collaborate and licence with is an extremely important part of the commercial development of products. Fujifilm is pursuing an aggressive and integrated business strategy to be the leader in cell therapeutics. We continue to devote the resources necessary to explore, progress, and if appropriate, complete a number of additional partnering opportunities.

During the year the company secured a cornerstone investment from an existing shareholder, Fidelity International, by conducting a placement of shares at a premium to the then prevailing market price. Cynata is in a strong financial position with approximately $11 million in cash at the end of the September quarter. We have started 2019 in a sound financial position to pursue and advance the pipeline of products I have touched on which Ross will talk about in further detail.

Cynata has made substantial progress over the last 12 months, moving from the pre-clinical stage of development to progressing two products towards phase 2 clinical trials. If we consider the progress since the Company's establishment in 2013 we have truly made extraordinary advances. We are well positioned in the regenerative medicine space with our proprietary therapeutic stem cell platform technology Cymerus, to continue to develop a number of products across a range of target disease areas. Importantly, Cynata has the necessary personnel, partners and funding to execute on the Company's vision of being a leading developer of novel cell therapeutics.

I would like to take this opportunity to thank all our shareholders for their continued support and look forward to the next year as the Company moves closer to the point of commercialisation for its products. Ross…..