

ASX ANNOUNCEMENT 28 July 2014

Cynata Contracts University of Wisconsin – Madison to Advance Cymerus™ Stem Cell Product Development

Cynata Therapeutics Ltd (ASX:CYP) announced today that it has signed an agreement with the University of Wisconsin – Madison, one of the world's leading stem cell centres, to develop a novel approach for preserving cell therapy products to enhance their shelf life and convenience. The development program will be overseen by internationally recognised pioneer of stem cell research and Cynata co-founder, Professor Igor Slukvin. Professor Slukvin's seminal publication in the journal Cell Stem Cell, "A Mesoderm-Derived Precursor for Mesenchymal Stem and Endothelial Cells", was classified by the Faculty of 1000 into the top 2% of biology/medicine publications for that year and describes Cynata's core technology.

An important component of a commercially successful stem cell therapeutic product is to provide a practical and effective means of preserving the cell product in storage and during transport to the site of eventual use in patients. This also includes the process of reconstituting the product to prepare it for administration. This new program has the goal of developing such a process and in doing so to provide further user advantages to Cynata's Cymerus™ platform. Any patentable discoveries arising from the program will also serve to augment Cynata's existing unique intellectual property position.

"Generally, preservation of cell therapy products for commercial use poses a product logistics challenge and we are very pleased to have engaged the University of Wisconsin – Madison, which has an exemplary track record in the field, to undertake this program", said Dr Kilian Kelly, Cynata's Vice President, Product Development. "The new contract furthers the strong bonds we already have with the Madison campus, both through the University and the Wisconsin Alumni Research Foundation (WARF)."

The Cymerus[™] technology facilitates large scale production of mesenchymal stem cells (MSCs) from a single donor, a key element for pharmaceutical companies as they move into stem cell medicine.

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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.