ASX ANNOUNCEMENT **19 June 2017**

Cynata Therapeutics Receives Notice of Allowance from U.S. Patent and Trademark Office for Cymerus™ Patent Application

Melbourne, Australia; 19 June 2017: Australian stem cell and regenerative medicine company, Cynata Therapeutics Limited (ASX: CYP), announced today that Notice of Allowance has been received from the U.S. Patent and Trademark Office (USPTO) for a patent application tied to its proprietary Cymerus™ mesenchymal stem cell technology. The patent application entitled "A method of making primate cells expressing apelin receptor that have mesangioblast potential" is owned by the University of Wisconsin–Madison's Wisconsin Alumni Research Foundation (WARF) and is among the intellectual property licensed exclusively from WARF to Cynata. The Notice of Allowance is sent to the applicant when the USPTO intends to issue a patent.

"This patent application covers an important element of our proprietary Cymerus stem cell manufacturing technology," said Ross Macdonald, Ph.D., Cynata's Chief Executive Officer. "This patent and others we have filed continue to strengthen our comprehensive patent portfolio relating to the scalable manufacture of consistent, high-quality mesenchymal stem cell therapeutic products targeting a range of devastating diseases worldwide."

The inventors named on the patent are Dr Maxim Vodyanyk and Professor Igor Slukvin, founders, advisors and shareholders of Cynata.

Cynata anticipates that the patent will be granted by October 2017, with an expiration date of 1 February 2028.

Ends

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About Cynata Therapeutics (ASX: CYP)

Cynata Therapeutics Limited (ASX: CYP) is an Australian clinical stage 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.