ASX ANNOUNCEMENT **26 June 2018**

Product Development Program Update and New Investor Presentation

Melbourne, Australia, 26 June 2018: Australian stem cell and regenerative medicine company Cynata Therapeutics Limited (ASX: CYP) is pleased to announce an update to its product development activities and a new investor presentation to be presented at a series of upcoming institutional investor meetings.

Key Highlights

- **CYP-001 GvHD program positioned to progress to Phase 2 development** following compelling Phase 1 clinical data released last week; GvHD indication currently partnered with Fujifilm
- **Cynata selects cardiovascular disease as a high-priority target area** following a comprehensive review of MSC landscape conducted with ClearView Healthcare Partners
    - **Cardiovascular disease is the leading cause of premature death worldwide**[1], complications of which include critical limb ischemia, diabetic ulcers and heart disease
- **Cynata will proceed with Phase 2 clinical programme in critical limb ischemia** and continue to work with its partners to progress other cardiovascular disease indications
    - **Critical limb ischemia represents ~US$1.4billion/year commercial opportunity for novel MSC therapies**
- **Cynata well-funded to progress its clinical programme**, following $5.2 million placement of shares to leading institutional investor Fidelity International on 30-May-18

An updated investor presentation providing an overview of Cynata's corporate and clinical strategy accompanies this release.

Dr Ross Macdonald, Chief Executive Officer of Cynata said: *"After reporting excellent safety and efficacy data from our Phase 1 clinical trial of CYP-001 in steroid-resistant acute graft-versus-host disease last week, we are delighted to announce that we have selected cardiovascular disease as a high-priority target area for clinical development of our high-quality mesenchymal stem cells. We have initiated the planning process for a Phase 2 trial in critical limb ischemia and look forward to providing further details in due course."*

Cynata conducted a review of the therapeutic and commercial landscape for mesenchymal stem cells (MSCs) with highly respected Boston-based consultancy ClearView Healthcare Partners. On Cynata's behalf, ClearView reviewed over 300 potential indications and then assessed the selected candidates based on a robust and comprehensive analysis of scientific rationale, clinical development feasibility and commercial opportunity.

Cardiovascular disease, which encompasses a range of specific diseases of the heart or blood vessels, is the leading cause of premature death worldwide[1]. Cynata has amassed significant data confirming the utility of its Cymerus™ MSCs in pre-clinical models of cardiovascular disease and its vascular and inflammatory complications: critical limb ischemia (CLI), diabetic ulcers and heart disease. This, combined with the ClearView analysis, has provided the Company with a sound basis to proceed with a Phase 2 clinical programme in CLI and to continue working with its partners to progress other cardiovascular disease indications. CLI patients are at substantial risk of severe disease consequences,

Cynata Therapeutics Limited
Level 3, 62 Lygon Street, Carlton, Victoria 3053, Australia
PO Box 7165, Hawthorn North, Victoria 3122
T: + 613 9824 5254 **F:** + 613 9822 7735 **E:** admin@cynata.com
ABN - 98 104 037 372

including limb amputation and higher mortality rates. As such, the global commercial opportunity for MSC therapies in CLI, as estimated by ClearView, has the potential to reach US$1.4 billion per year. Cynata will update the market with developments regarding its planned future activities, as appropriate.

Investor Presentation

Cynata Therapeutics offers investors exposure to the rapidly growing regenerative medicine and stem cell sector via its patented Cymerus technology, a platform able to manufacture therapeutic MSCs at a commercial scale. The new investor presentation highlights Cynata Therapeutics' compelling investment case and provides information about the Company's progress and its future product development pipeline.

Investment Highlights

- **Scalable, world-first technology:** Cymerus platform overcomes inherent challenges of other production methods and enables mass production of therapeutic MSCs
- **Phase 2 ready:** Excellent Phase 1 results provide validation of Cynata's Cymerus platform; enables Cynata to progress to Phase 2 in GvHD and other indications
- **Cardiovascular disease identified as priority indication area for clinical programme:** Phase 2 trial in critical limb ischemia expected to commence in H2 2018
- **Attractive licensing-driven business model:** Fujifilm licence option for GvHD potentially worth over A$60 million plus royalties
- **Valuable market opportunity:** Estimated US$1.7 billion revenue opportunity for GvHD and CLI MSC products alone
- **Well-funded to progress clinical programme:** Pro forma cash balance of $13.5 million based on cash balance of $8.3 million at 31-Mar-18, reinforced by $5.2 million placement of shares to leading institutional investor Fidelity International in May 2018

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CONTACTS: Dr Ross Macdonald, CEO, Cynata Therapeutics, +61 (0)412 119343, ross.macdonald@cynata.com
Daniel Paproth, Australia Media Contact, +61 (0)421 858 982, daniel.paproth@mcpartners.com.au
Annie Starr, U.S. Media Contact, 973 768 2170, astarr@6degreespr.com

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). Cymerus™ provides a source of MSCs that is independent of donor limitations and 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.

[1] American Heart Association