ASX ANNOUNCEMENT **28 February 2017**

Dr Paul Wotton appointed as Chairman of the Cynata Board

Melbourne, Australia; 28 February 2017: Australian stem cell and regenerative medicine company, Cynata Therapeutics Limited (ASX: CYP) is pleased to announce the appointment of existing non-executive director Dr Paul Wotton as Chairman of the Board of Directors. With Cynata now transitioning to a clinical stage company, the Board believes that Dr Wotton has the skills, focus and proven track record to help steer the Company effectively through this next stage of growth. Past chairman Dr Stewart Washer will remain on the Bboard as a non-executive Director.

Last month Cynata announced a breakthrough strategic partnership agreement with Fujifilm which included the Japanese company investing in Cynata to become the largest shareholder in the company. Fujifilm is a world leader in the regenerative medicine field and in 2015 purchased Cynata's induced pluripotent stem cell (iPSC) technology partner company, Cellular Dynamics International Inc, for US$307m. Cynata holds exclusive worldwide rights to the technology required to make clinically useful stem cell medicines (mesenchymal stem cells: MCSs) from these iPSCs.

Dr Paul Wotton said he was delighted to accept the chairman's position at Cynata and appreciated the work of Dr Stewart Washer to create a stable base for the Company's long term growth.

Dr Wotton added: "From the moment I joined the board of Cynata it has been clear that our therapeutic stem cell platform technology, Cymerus™, is going to play a potentially significant role in helping to treat many challenging and life-threatening diseases such as graft-versus-host disease (GvHD). I am looking forward to working with Ross Macdonald and the team as we continue to execute against our strategic plan."

Cynata chief executive, Dr Ross Macdonald, said he was delighted that Dr Wotton had accepted the role of chairman, given his investor network and successful track record of growing and building a range of life sciences and stem cell companies.

"With our recent history of clinical trial approval success and the breakthrough deal with Fujifilm, it is critical that Cynata maintains the momentum to grow to its full potential,'' said Dr Macdonald.

Dr Macdonald said Cynata was seeking to increase its engagement with investors in the US and Australia following the validation arising from the Fujifilm investment and as its innovative therapeutic stem cell platform technology, Cymerus™, gained traction in clinical trials.

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He also paid tribute to former chair Dr Stewart Washer, who is remaining on the Cynata Board as a non-executive director.

"Dr Washer is one of the visionaries of Australian biotechnology and his leadership and experience has been vital in Cynata's growth trajectory so far.

"We are very fortunate to have him remaining on the board,'' said Dr Macdonald.

As part of Dr Wotton's appointment and subject to shareholder approval, he will be granted 2 million options exercisable at $1.50 each and expiring two years from that date of grant. The options will vest in two tranches, subject to continuous service up to the applicable vesting date, as follows: (i) 1,000,000 – one year from grant date; and (ii) 1,000,000 – 18 months from grant date.

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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.

About Dr Paul Wotton

Dr Wotton has more than 30 years' experience in the pharmaceuticals and biotech industry. He is currently the President and CEO of Sigilon Inc, having previously served as President and CEO of Ocata Therapeutics from July 2014 until it was acquired by Astellas for US$379 million in February of 2016. Prior to that he served for 6 years as CEO and President of Antares Pharma, Inc., a Nasdaq-listed specialty pharmaceutical company. Before leading Antares Pharma he held various senior executive roles in large- and mid-cap pharma and biotech companies in the USA and Europe. He is a member of the boards of Vericel Corporation, a US company developing autologous cellular therapies and Veloxis Pharmaceuticals A/S. Dr Wotton is a pharmacist by training with both a Ph.D. from the University of Nottingham and an MBA from Kingston Business School in the U.K. In 2014 he was named New Jersey EY Entrepreneur of the Year in Life Sciences.