



ASX ANNOUNCEMENT

9 May 2016

## Cynata Enters License Option Agreement with apceth GmbH & Co. KG

- apceth to develop Cynata's Cymerus™ mesenchymal stem cells (MSCs) engineered with apceth's proprietary genetic modification technology
- Therapeutic targets include cancer and several other devastating diseases
- Upfront and milestone payments potentially exceed A\$40m in addition to royalty payments
- Commercial development of Cymerus™ to be investigated by a global leader and innovator in modified MSC technology

**Melbourne, Australia and Munich, Germany; 9 May 2016:** Australian stem cell and regenerative medicine company, Cynata Therapeutics Limited (ASX: CYP), announced today that it has entered into a worldwide license option agreement with apceth GmbH & Co. KG for the use of Cynata's unique Cymerus technology in combination with genetic modification technologies designed to open up prospective new therapeutic fields to MSCs, particularly the treatment of cancer.

The agreement provides for an immediate upfront cash payment to Cynata, followed by a series of success-based milestones, which could potentially total more than A\$40m. Royalties on product sales will be also payable to Cynata. Given the substantial unmet medical needs that this relationship seeks to address, the agreement has the potential for substantial revenues to Cynata.

apceth is presently evaluating Cynata's technology in its in-house cell culture and genetic modification systems as part of an initial collaboration, expected to conclude toward the end of 2016. Further development by apceth will be pursuant to a development plan to be discussed by both parties and incorporated into the definitive license agreement.

"We are delighted to have concluded this license option agreement with Cynata for the further development and eventual commercialisation of Cymerus, a very innovative therapeutic MSC technology, in combination with genetic modification techniques. With access now to Cymerus, a truly scalable manufacturing technology for therapeutic MSCs, we are very excited about future off-the-shelf therapeutic products," said Dr Christine Günther, Chief Executive Officer at apceth.

"The combined technologies of Cynata and apceth provide a powerful solution that significantly expands the range of therapeutic applications for MSCs. Through the apceth-engineered enhancements of our Cymerus MSCs we expect to see the development of new treatments that were previously not appropriate for MSCs, one of the most promising and fastest growing areas of medicine today. Outside of the arrangement with apceth Cynata remains free to develop all other applications of its technologies," said Dr Ross Macdonald, Chief Executive Officer and Managing Director at Cynata.

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### **About Cynata Therapeutics (ASX: CYP)**

Cynata Therapeutics Limited (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 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™ 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.

### **About apceth GmbH & Co. KG.**

apceth is a pioneering clinical stage biopharmaceutical company which is expanding its pipeline of next-generation cell-based therapeutics. apceth's modular platform technology is based on genetically modified MSCs, and the lead program Agenmestencil is a first-in-man, genetically modified MSC product for the treatment of cancer. In addition, apceth develops new cell therapy candidates for the treatment of lung diseases and for immunomodulation. Based in Munich, apceth provides its know-how, expertise and GMP-certified facilities to industrial and academic partners around the world. apceth was founded in 2007 as a start-up company and is privately owned by its founders and private investors Santo Holding GmbH and FCP Biotech Holding GmbH.

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