



ASX ANNOUNCEMENT

4 September 2018

Director Loan Funded Shares – voluntary escrow arrangement

Cynata Therapeutics Limited (ASX: CYP) today announces a voluntary escrow arrangement in relation to the Director Loans proposed under the Notice of Meeting released on 10th August 2018. Shareholders are advised to refer to the Notice of Meeting for further detail on the proposed Director Loans, which are proposed solely to facilitate the exercise of the \$0.40 options expiring 27 September 2018.

Drs Washer and Macdonald have confirmed their intention to hold the shares resulting from the option exercise for the long term. To formalise this intention, the two directors have volunteered to place half of the shares, being 1,250,000 shares each, in an escrow facility for one year.

In line with similar arrangements, there are limited circumstances in which the voluntary escrow may be released, being: (i) to allow the shareholder to accept into a bona fide takeover bid; (ii) to allow the shares to be transferred as part of a scheme of arrangement or as part of an equal access buyback, capital return or capital reduction; (iii) to deal with shares as required by the Company in accordance with the loan arrangements between the Company and each shareholder; (iv) if the Board determines that there is financial hardship or exceptional circumstances; or (v) if Dr Ross Macdonald ceases to be the Managing Director of the Company, if this occurs before the end of the escrow period.

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). 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.