

ASX ANNOUNCEMENT

19 January 2017

## Cynata and FUJIFILM Sign Development and Commercialisation Partnership Agreement

- Fujifilm takes A\$3.97 million strategic equity stake in Cynata
- Parties to collaborate on the further development and commercialisation of Cynata's lead Cymerus™ therapeutic MSC product CYP-001 for graft-versus-host disease (GvHD)
- Potential future upfront and milestone payments in excess of A\$60 million
- Double-digit royalties on CYP-001 product net sales
- Strategic relationship for potential future manufacture of CYP-001 and certain rights to other Cynata technology

**Melbourne, Australia; 19 January 2017:** Australian stem cell and regenerative medicine company, Cynata Therapeutics Limited (ASX: CYP), has executed a license option agreement with FUJIFILM Corporation of Japan for the development and commercialisation of certain Cynata technology, including Cynata's lead induced pluripotent stem cell (iPSC)-derived therapeutic mesenchymal stem cell (MSC) product, CYP-001.

As part of this transaction, FUJIFILM has taken an equity stake in Cynata through the purchase of 8,088,403 ordinary shares in Cynata, issued at \$0.49113, being a 35% premium to the 6 month VWAP as at 2 September 2016, the date of execution of the non-binding term sheet for this transaction. The shares are subject to a 12 month escrow period. After the transaction is finalised, FUJIFILM would emerge with a 10.01 per cent stake in Cynata.

Under this agreement, FUJIFILM has an option to an exclusive, worldwide licence to market and sell Cynata's lead MSC product, CYP-001, in the field of prevention and treatment of graft-versus-host disease (GvHD). GvHD is a potentially fatal disease that often follows a bone marrow transplant procedure and occurs when the immune cells in the donor material (the graft) attack the recipient's tissues (the host) as "foreign".

This option is exercisable at any time up to 90 days after the completion of the primary evaluation period of Cynata's current phase I clinical trial in GvHD. An upfront fee of US\$3 million is payable which, together with other potential future milestones, totals over A\$60 million in potential one-time payments, along with double-digit royalties on net sales of CYP-001 product. Should FUJIFILM choose to exercise this option, future CYP-001 development costs will be borne by FUJIFILM.



In addition, the license option agreement includes

- a) an option to negotiate a licence for manufacturing CYP-001 product and
- b) certain rights to Cynata's proprietary Cymerus technology for the prevention and treatment of other diseases.

Exercise of the rights to these additional components attracts further fees.

"This alliance with FUJIFILM provides an important strategic partnership that validates the Cymerus therapeutic mesenchymal stem cell technology and substantially accelerates our path to market," said Cynata Managing Director and CEO, Dr Ross Macdonald. "FUJIFILM is a global leader in the regenerative medicine sector and its decision to enter into this transaction after undertaking a thorough review of our technology is an enormous achievement for Cynata. We are very fortunate to have a partner of FUJIFILM's stature with the resources and enthusiasm to drive the development and commercialisation of CYP-001."

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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™ 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 Fujifilm Corporation**

FUJIFILM Corporation, Tokyo, Japan is one of the major operating companies of FUJIFILM Holdings. The company brings continuous innovation and leading-edge products to a broad spectrum of industries, including: healthcare, graphic systems, highly functional materials, optical devices, digital imaging and document products. These are based on a vast portfolio of chemical, mechanical, optical, electronic and thin film coating technologies.

The Fujifilm Group is a leader in the field of regenerative medicine. US Cellular Dynamics International, Inc., has also joined the Fujifilm Group in 2015, and Fujifilm is leveraging iPSC production technologies to create an iPSC bank that comprises iPSCs for use in researching various diseases and conditions. The decision to bring these highly innovative companies into the Group further emphasizes Fujifilm's dedication to achieving leadership in the field of regenerative medicine and to meet unmet medical needs.

For more information, please visit: [www.fujifilmholdings.com](http://www.fujifilmholdings.com).

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