27 November 2019

Chairman's 2019 AGM Address

Good morning everyone and welcome to this year's Annual General Meeting. For those shareholders who are new to the Company, my name is Dr Paul Wotton and I am the Non-Executive Chairman of Cynata. With me today is Dr Ross Macdonald who is your Managing Director and Chief Executive Officer, Dr Stewart Washer who is a Non-Executive Director, Dr Geoff Brooke, who is a Non-Executive Director, Mr Peter Webse who is a Non-Executive Director and Company Secretary and we also have Kilian Kelly who is Chief Operating Officer.

It is my pleasure to address you today and provide an update on the substantial progress that has been made by your Company over the last twelve months. The team has been working hard and there is a lot to look forward to over the next year. I will touch on the outlook and then invite Ross to provide more detail in his address to you.

To take us back to August last year we were delighted to announce the exceptional safety and efficacy results from our world first clinical trial for the treatment of steroid-resistant acute graft-versus host disease. The trial involved CYP-001, our first Cymerus cell therapy product. Cynata's proprietary Cymerus technology utilises induced pluripotent stem cells, or iPSCs, which have unique properties that make them the ideal starting material for our therapeutic mesenchymal stem cell products. Cynata's Cymerus platform enables us to consistently manufacture high-quality therapeutic MSC's. The Phase 1 in-human clinical trial met all the pre-designed endpoints with no treatment-related adverse safety events. This means that a group of critically ill patients, who had failed all other approved treatment options, showed substantial improvement in their disease after being treated with our Cymerus MSCs. We as a Company are immensely proud to have a treatment that can provide such a significant and potentially life-changing benefit for these patients, and you as Cynata shareholders should also be proud of your contribution.

This outstanding result which validated the Cymerus technology allowed us to look toward Phase 2 trials in multiple indications. Over the year we have progressed planning for three Phase 2 trials - GvHD and critical limb ischemia, as we spoke about last year, as well as another Phase 2 trial in Osteoarthritis.

We are fortunate to have the continued support of Fujifilm, which was further strengthened in September this year through the exercise of its license option in GvHD. Going forward, Fujifilm will bear responsibility for the development, regulatory submissions and commercialisation for GvHD, and provide Cynata with a potentially lucrative income stream consisting of milestone payments and royalties on future product sales – in addition to the $3m up-front license fee already received.

Towards the end of last calendar year, the Australian National Health and Medical Research Council awarded a grant to the University of Sydney to fund a Phase 2 clinical trial which will evaluate Cynata's MSCs as a treatment for osteoarthritis. This highlights the demand for the Company's Cymerus MSCs, and, as it will be one of the

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largest MSC trials ever conducted with 448-patients, it will showcase Cynata's ability to manufacture high-quality MSCs at scale. This important Phase 2 study in a commercially important disease is expected to commence early next year.

We look forward to being able to further communicate the schedules for these Phase 2 trials once they have been fully developed. The endorsement that this external validation gives to our Cymerus platform is powerful, and will support Cynata as we continue on the path towards commercialisation.

The phase 2 work will provide important milestones for the Company during 2020, however there is also significant potential for the Cymerus platform in numerous additional therapeutic targets, presenting the opportunity to unlock further value by expanding our product portfolio. Positive results from the broad range of pre-clinical studies include using Cymerus MSCs in the treatment of coronary artery disease (CAD). This is a serious disease that causes approximately one-third of all deaths in people over the age of 35 in developed countries, and Cynata has shown the potential to be able to develop an effective treatment. The Company recently received an Innovation Connections grant supported by the Australian Government's Department of Industry Innovation and Science to advance the development of Cymerus MSC therapies for the treatment of CAD, further validating the Cymerus technology. We have the potential to make a meaningful impact through a range of potential target areas with high unmet medical need, with further positive results demonstrating beneficial effects in models of heart attack, cancer and cytokine release syndrome over the last year.

During the year the Company actively engaged in a broad range of discussions with potential commercial partners, including potential change of control transactions.

An indicative, non-binding and conditional proposal from Sumitomo Dainippon Pharma Co., Ltd ("Sumitomo") regarding a possible acquisition of all of the shares in Cynata at a price of A$2.00 per share in cash by way of a scheme of arrangement was announced in July 2019. Discussions with Sumitomo continued until October when the Company announced that it had been unable to reach agreement on terms to its satisfaction of a potential acquisition and had therefore withdrawn from those acquisition discussions.

The Company will continue to focus on commercialisation of its platform, in the range of opportunities from pre-clinical to phase 2 trials. The Board and Management team continue to advance those products which it believes will improve the chances of successful development and appeal to potential industry partners, to achieve the best possible outcomes for our patients, Cynata and its shareholders. Fujifilm's endorsement validates Cynata's Cymerus platform and strongly supports our active discussions for the further commercialisation of our unique and proprietary stem-cell technology in other therapeutic opportunities. Finding the right partners to collaborate and licence with is important, and we continue to devote the resources necessary to explore and progress these opportunities.

As we look to execute on further commercial partnering plans and expand product development opportunities, it is important to have a strong leadership team in place. During the year, we strengthened our Board by welcoming Geoff Brooke as a Non-Executive Director. Geoff brings more than 30 years of international experience in the healthcare industry and we appreciate having his substantial life sciences and financial expertise with us as we continue to unlock Cynata's potential.

The Company has made substantial progress to date and is well positioned in the regenerative medicine space to continue to develop a number of products across a broad range of target disease areas, including commencing the three clinical Phase 2 studies in the next year. Your dedicated management team, led by Ross, have all worked hard to bring the Company to this point. Shareholders have a lot to look forward to over the coming 12 months and I can assure you that we have a lot more to contribute as the Company works to continue to be a leading developer of novel cell therapeutics.

I thank all our shareholders for their continued support and look forward to what the next year will bring.

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