



ASX ANNOUNCEMENT

29 October 2015

ACTIVITY REPORT & APPENDIX 4C

Melbourne, Australia; 29 October 2015: Regenerative medicine company Cynata Therapeutics Limited's Quarterly Cash Flow Report for the quarter ended 30 September 2015 is attached.

PARTNERING: The Company is in active discussions with a number of potential commercial partners interested in the Cymerus™ technology. Further information will be provided to the market upon effective completion of these discussions.

Cynata recently entered into an exciting new collaboration with the world leading researchers at Massachusetts General Hospital (MGH), part of Harvard Medical School, in the USA. Harvard's program seeks to investigate the potential utility of Cynata's mesenchymal stem cells (MSCs) in a novel approach to cancer treatment. It opens up an entirely new dimension in the commercial opportunity for Cynata's unique Cymerus® technology.

The Company also entered into a collaboration with the University of Sydney to test the potential therapeutic efficacy of Cymerus™ MSCs in animal models of myocardial infarction (heart attack). The program is being led by Dr James Chong, a cardiologist at Westmead Hospital and Senior Lecturer in Medicine at the University of Sydney. Dr Chong has an outstanding record of achievement, including being the author of a publication in the prestigious journal "Nature" investigating the therapeutic efficacy of stem cells in heart tissue regeneration. These high profile research collaborations validate the value of the Cymerus™ technology in the international stem cell community.

INVESTOR ACTIVITIES: Following the placement to US institutional investors in July 2015 Cynata sought to build on US investor interest in the Company. Cynata was selected to present at Rodman & Renshaw's 17th Annual Global Investment Conference in New York and conducted several days' of investor meetings around that event. This was aided by a favourable research analysis published by SeeThruEquity, a leading US-based independent equity research and corporate access firm focused on smallcap and microcap public companies. SeeThruEquity initiated their coverage on Cynata with a price target of \$1.55 per share. Cynata also felt the strong headwinds that impacted equity markets around the world during August and into September, with some of the bellwether biotech stocks in the US losing 30-40% of their value in a matter of days. Fortunately, the Company has a strengthened balance sheet through the July placement and is well positioned to execute on key upcoming milestones.

The Company has also engaged the services of several experts to broaden overall exposure on social media platforms with a particular goal of ensuring that Cynata's activities are captured while spotlighting the continuing success and excitement around regenerative medicine and stem cell based therapeutics.

PRODUCT DEVELOPMENT: Development of Cynata's lead therapeutic MSC product, CYP-001 continues on schedule and on budget. Several key studies in the pre-clinical program are entering the final stages and their completion in the coming months will represent key milestones toward the clinical application of CYP-001. Meanwhile Cynata's interaction with regulatory bodies has progressed well. The Company held a successful meeting with the US FDA (Food and Drug Administration) in September which revealed no particular impediments to the Company proceeding with its planned product development program.

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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.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Cynata Therapeutics Limited

ABN

98 104 037 372

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) staff costs	(156)	(156)
(b) advertising and marketing	(91)	(91)
(c) research and development	(748)	(748)
(d) leased assets	-	-
(e) other working capital	(226)	(226)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	36	36
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (TRIP rebate received)	2	2
Net operating cash flows	(1,183)	(1,183)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,183)	(1,183)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(1,183)	(1,183)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	5,000	5,000
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (share issue costs)	(465)	(465)
Net financing cash flows	4,535	4,535
Net increase (decrease) in cash held	3,352	3,352
1.21 Cash at beginning of quarter/year to date	4,671	4,671
1.22 Exchange rate adjustments to item 1.21	60	60
1.23 Cash at end of quarter	8,083	8,083

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	263
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Directors' fees, salaries including bonuses, superannuation benefits and professional consultancy fees. All payments are on normal commercial terms.
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	N/A	N/A
3.2	Credit standby arrangements	N/A	N/A

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Appendix 4C
Quarterly report for entities
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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	10	-
4.2 Deposits at call	8,073	4,671
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	8,083	4,671

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: _____

Date: 29 October 2015

Print name: Dr Ross Macdonald
(Managing Director)

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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