

ASX Appendix 4D

Half-Year Financial Report to 31 December 2016

1. Details of reporting period

Name of Entity	Cynata Therapeutics Limited ("the Company")
ABN	98 104 037 372
Reporting Period	31 December 2016
Previous Corresponding Period	31 December 2015

2. Results for announcement to the market

				\$
Revenues from ordinary activities	Down	67.27%	to	25,398
Loss for the half-year	Down	58.62%	to	1,021,369
Total comprehensive loss for the half-year attributable to members	Down	58.63%	to	1,021,120
		Amount Per Security		Franked Amount Per Security
Final Dividend		Nil		Nil
Interim Dividend		Nil		Nil
Previous Corresponding Period		Nil		Nil
Record Date for Determining Entitlements	Not Applicable			

Brief explanation of any of the figures reported above necessary to enable figures to be understood:

For further information, refer to the review of operations contained in the directors' report, which forms part of the attached condensed consolidated financial statements.

3. Net tangible asset backing

	31 December 2016	31 December 2015
Net tangible backing per ordinary security	5.08 cents	9.19 cents

4. Details of entities over which control has been gained or lost during the period

N/A

5. Details of Dividends

No dividend has been paid or recommended to be paid for the half-year ended 31 December 2016.

6. Details of dividend reinvestment plans

N/A

7 Details of associate and joint venture entities

N/A

8. Foreign entities

N/A

9. Audit

This report has been based on accounts that have been subject to an audit review. There are no items of dispute with the auditor and the audit review is not subject to qualification.



Dr Ross Macdonald
Managing Director

27 February 2017



Cynata Therapeutics Limited

ABN 98 104 037 372

and its controlled entities

Half year report for the half-year ended

31 December 2016

Corporate directory

Board of Directors

Dr Stewart Washer	Executive Chairman
Dr Ross Macdonald	Managing Director/Chief Executive Officer
Dr John Chiplin	Non-Executive Director
Mr Peter Webse	Non-Executive Director
Dr Paul Wotton	Non-Executive Director

Company Secretary

Mr Peter Webse

Registered and Principal Office

Suite 1, 1233 High Street
Armadale, Victoria 3143

Tel: +61 3 9824 5254

Fax: +61 3 9822 7735

Email: admin@cynata.com

Postal Address

PO Box 7165

Hawthorn North, Victoria 3122

Website

www.cynata.com

Auditors

Stantons International

Level 2, 1 Walker Avenue

West Perth, Western Australia 6005

Share Registry

Automic Registry Services

Level 2, 267 St Georges Terrace

Perth, Western Australia 6000

Tel: +61 8 9324 2099

Fax: +61 8 9321 2337

Stock Exchange

Australian Securities Exchange

Level 40, Central Park

152-158 St Georges Terrace

Perth, Western Australia 6000

ASX Code

CYP

Half year report for the half-year ended 31 December 2016

Contents

Directors' report.....	1
Auditor's independence declaration.....	3
Independent auditor's review report.....	4
Directors' declaration.....	6
Condensed consolidated statement of profit or loss and other comprehensive income.....	7
Condensed consolidated statement of financial position.....	8
Condensed consolidated statement of changes in equity.....	9
Condensed consolidated statement of cash flows.....	10
Condensed notes to the condensed consolidated financial statements.....	11

Directors' report

The directors of Cynata Therapeutics Limited ("Cynata" or "the Company") submit herewith the financial report of Cynata Therapeutics Limited and its subsidiaries ("the Group") for the half-year ended 31 December 2016. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Names of Directors

The names of the directors of the Company during or since the end of the half-year are:

Dr Stewart Washer
Dr Ross Macdonald
Dr John Chiplin
Mr Peter Webse
Dr Paul Wotton

Review of operations

The loss of the Group for the half-year ended 31 December 2016, after accounting for an R&D refund of \$1,748,874 and providing for income tax, amounted to \$1,021,369 compared to a loss of \$2,468,220 for the half-year ended 31 December 2015.

In the field of stem cells and regenerative medicine, mesenchymal stem cells (MSCs) have emerged as one of the most promising candidates for mainstream medical use in a wide variety of economically important diseases and as such have very exciting commercial potential. Cynata's business focus is the development and commercialisation of a novel, proprietary technology that addresses a critical shortcoming in existing methods of production of MSCs for therapeutic use, which is the ability to achieve economic manufacture at commercial scale. With its Cymerus™ process, which involves the use of induced pluripotent stem cells (iPSC's) as starting material, Cynata is the only company in the world with technology for the manufacture of therapeutic allogeneic MSCs without reliance upon multiple stem cell donors.

During the half year ended 31 December 2016, Cynata achieved a number of major product development milestones, culminating in the approval from the UK Medicines and Healthcare Products Regulatory Agency (MHRA) to proceed with the Phase 1 clinical trial of CYP-001 in patients with steroid-resistant graft-versus-host disease (GvHD). The first patient was expected to be treated before the end of calendar 2016 but minor logistic impediments, including factors associated with the Christmas/New Year period, have resulted in short delay. The trial aims to recruit a total of approximately 16 participants who have undergone a bone marrow transplant or similar procedure, and were subsequently diagnosed with steroid-resistant Grade II-IV acute GvHD. This achievement represents a major milestone in the field of regenerative medicine as it is believed to be the world's first clinical trial involving a therapeutic product derived from allogeneic iPSCs.

The Company also achieved a major milestone in the development of its commercial strategy with the execution of a non-binding term sheet with FUJIFILM Corporation of Japan. In events subsequent to the reporting period this term sheet matured into a binding strategic alliance between Cynata and FUJIFILM, with FUJIFILM taking an equity stake in Cynata of just under 10%. FUJIFILM has emerged as a major participant in the growing regenerative medicine industry. Among its other business interests, FUJIFILM has a substantial business in healthcare; the company's total sales in 2015-16 were \$US22b. Notably FUJIFILM acquired Cellular Dynamics International, Inc (CDI) in 2015 for \$US307m; CDI is a regenerative medicine company, which like Cynata, was also spun out from the University of Wisconsin-Madison. Cynata has sourced its clinical grade iPSC line from CDI and has continuing close relations with that company.

Cynata's collaboration with apceth GmbH & Co pursuant to the license option agreement continues to make progress and a decision by apceth on whether to exercise the option is expected in the first quarter of 2017.

Cynata concluded the year 2016 on a very positive note with solid achievements in the development of the unique and valuable Cymerus™ technology as well as progress in the Company's commercial strategy. The Company enters 2017 in a very strong position, well placed to yield on the efforts and accomplishments of the past few years.

Auditor's independence declaration

The auditor's independence declaration is included on page 3 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors



Dr Ross Macdonald
Managing Director

Melbourne, 27 February 2017

27 February 2017

Board of Directors
Cynata Therapeutics Limited
Suite 1, 1233 High Street
ARMADALE, VICTORIA, 3143

Dear Directors

RE: CYNATA THERAPEUTICS LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Cynata Therapeutics Limited.

As the Audit Director for the review of the financial statements of Cynata Therapeutics Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(Authorised Audit Company)



Martin Michalik
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
CYNATA THERAPEUTICS LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cynata Therapeutics Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Cynata Therapeutics Limited ("the consolidated entity"). The consolidated entity comprises both Cynata Therapeutics Limited ("the Company") and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Cynata Therapeutics Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cynata Therapeutics Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Cynata Therapeutics Limited on 27 February 2017.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cynata Therapeutics Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
27 February 2017

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 '*Interim Financial Reporting*' and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors



Dr Ross Macdonald
Managing Director

Melbourne, 27 February 2017

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2016

	Note	Consolidated	
		Half-year ended	
		31 Dec 2016	31 Dec 2015
		\$	\$
Revenue from continuing operations	4	25,398	77,592
Other income	4	1,748,874	934,781
Total revenue and other income		1,774,272	1,012,373
Product development and marketing costs		(1,619,313)	(2,441,528)
Employee benefits expenses		(495,019)	(392,773)
Share based payments expenses		(80,810)	(63,081)
Depreciation and amortisation expenses	6	(139,983)	(140,366)
Other operational expenses		(460,516)	(442,845)
Loss before income tax		(1,021,369)	(2,468,220)
Income tax expense		-	-
Loss for the period		(1,021,369)	(2,468,220)
Other comprehensive income, net of income tax			
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		249	-
Other comprehensive income/(loss) for the period, net of income tax		249	-
Total comprehensive loss for the period		(1,021,120)	(2,468,220)
Loss attributable to:			
Owners of Cynata Therapeutics Limited		(1,021,369)	(2,468,220)
Total comprehensive loss attributable to:			
Owners of Cynata Therapeutics Limited		(1,021,120)	(2,468,220)
Loss per share:			
Basic and diluted (cents per share)		(1.40)	(3.42)

Condensed notes to the consolidated financial statements are included on pages 11 to 14.

Condensed consolidated statement of financial position as at 31 December 2016

	Note	Consolidated	
		31 Dec 2016 \$	30 Jun 2016 \$
Current assets			
Cash and cash equivalents		3,914,244	4,879,173
Trade and other receivables	5	34,217	58,220
Total current assets		3,948,461	4,937,393
Non-current assets			
Intangibles	6	3,953,139	4,093,122
Total non-current assets		3,953,139	4,093,122
Total assets		7,901,600	9,030,515
Current liabilities			
Trade and other payables		205,137	393,762
Provisions		43,635	53,615
Total current liabilities		248,772	447,377
Total liabilities		248,772	447,377
Net assets		7,652,828	8,583,138
Equity			
Issued capital	7	28,791,762	28,791,762
Shares yet to be issued	8	10,000	-
Option reserve	9	3,798,250	3,717,440
Foreign currency translation reserves		4,725	4,476
Accumulated losses		(24,951,909)	(23,930,540)
Total equity		7,652,828	8,583,138

Condensed notes to the consolidated financial statements are included on pages 11 to 14.

Condensed consolidated statement of changes in equity for the half-year ended 31 December 2016

<u>Consolidated</u>	Issued Capital \$	Shares yet to be issued \$	Option Reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2015	24,460,404	-	3,276,148	4,476	(18,991,069)	8,749,959
Loss for the period	-	-	-	-	(2,468,220)	(2,468,220)
Other comprehensive income/(loss), net of tax	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	(2,468,220)	(2,468,220)
Issue of ordinary shares	5,000,004	-	-	-	-	5,000,004
Share issue costs	(668,646)	-	203,170	-	-	(465,476)
Share based payments	-	-	63,081	-	-	63,081
Balance at 31 December 2015	28,791,762	-	3,542,399	4,476	(21,459,289)	10,879,348
Balance at 1 July 2016	28,791,762	-	3,717,440	4,476	(23,930,540)	8,583,138
Loss for the period	-	-	-	-	(1,021,369)	(1,021,369)
Other comprehensive income, net of tax	-	-	-	249	-	249
Total comprehensive income/(loss) for the period	-	-	-	249	(1,021,369)	(1,021,120)
Issue of ordinary shares	-	-	-	-	-	-
Ordinary shares yet to be issued (refer to note 8)	-	10,000	-	-	-	10,000
Share issue costs	-	-	-	-	-	-
Share based payments (refer to note 9)	-	-	80,810	-	-	80,810
Balance at 31 December 2016	28,791,762	10,000	3,798,250	4,725	(24,951,909)	7,652,828

Condensed notes to the consolidated financial statements are included on pages 11 to 14.

Condensed consolidated statement of cash flows for the half-year ended 31 December 2016

		Consolidated	
		Half-year ended	
	Note	31 Dec 2016	31 Dec 2015
		\$	\$
Cash flows from operating activities			
Grants received		-	2,200
Payments to suppliers and employees		(1,167,403)	(705,891)
Interest received		35,688	60,628
Research and development tax refund received		1,748,874	-
Product development costs paid		(1,592,088)	(2,228,170)
Net cash (used) in operating activities		(974,929)	(2,871,233)
Cash flows from financing activities			
Proceeds from equity instruments of the Company	7	-	5,000,004
Proceeds from equity instruments not yet issued	8	10,000	-
Payment for share issue costs		-	(465,476)
Net cash provided by financing activities		10,000	4,534,528
Net (decrease)/increase in cash and cash equivalents		(964,929)	1,663,295
Cash and cash equivalents at the beginning of the period		4,879,173	4,703,689
Cash and cash equivalents at the end of the period		3,914,244	6,366,984

Condensed notes to the consolidated financial statements are included on pages 11 to 14.

Condensed notes to the consolidated financial statements for the half-year ended 31 December 2016

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *'Interim Financial Reporting'*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with annual financial statements of the Company for the year ended 30 June 2016 together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by the directors on 27 February 2017.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2016 annual financial report for the financial year ended 30 June 2016, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Principles of consolidation

The consolidated financial statements incorporate all assets, liabilities and results of the parent and all of its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the consolidated entity from the date on which control is obtained by the Company. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Significant accounting judgements and key estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these half-yearly statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2016.

Amendments to AASBs and new Interpretations that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*

The adoption of these amendments has had no impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

2. Segment information

The Group operates in one business segment and one geographical segment, namely the development and commercialisation of therapeutic products. AASB 8 'Operating Segments' states that similar operating segments can be aggregated to form one reportable segment. However, none of the operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Company has therefore decided to aggregate all its reporting segments into one reportable operating segment.

The revenue and results of this segment are those of the Group as a whole and are set out in the condensed consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities are those of the Group and set out in the condensed consolidated statement of financial position.

3. Dividends

No dividends were paid or declared for the half-year ended 31 December 2016 and the directors have not recommended the payment of a dividend.

4. Revenue and other income

	31 Dec 2016	31 Dec 2015
	\$	\$
Revenue from continuing operations		
Interest income	25,398	77,592
Other income		
Grants received	-	2,200
R&D rebate received	1,748,874	932,581
	1,748,874	934,781

5. Trade and other receivables

	31 Dec 2016	30 Jun 2016
	\$	\$
Deposits made	3,568	3,568
Other receivables	30,649	54,652
	34,217	58,220

None of the trade and other receivables are past due at the reporting date.

6. Intangibles

	31 Dec 2016	30 Jun 2016
	\$	\$
Balance at the beginning of the period (i)	4,093,122	4,373,854
Amortisation (ii)	(139,983)	(280,732)
Balance at the end of the period	3,953,139	4,093,122

(i) The fair value attributable to interests in research and development of stem cells is due to, and in recognition of, the successful development of activities and data generated by Cynata Incorporated as at the acquisition date (1 December 2013) representing progress toward the eventual commercialisation of the relevant technology.

(ii) An amortisation expense of \$139,983 has been recognised in profit or loss for the half-year ended 31 December 2016 (31 December 2015: \$140,366). For more information on the Group's accounting policy on intangibles and amortisation, refer to the 2016 annual financial report.

7. Issued capital

	31 Dec 2016	30 Jun 2016
	\$	\$
72,738,075 fully paid ordinary shares (30 June 2016: 72,738,075)	28,791,762	28,791,762

Fully paid ordinary shares

	31 Dec 2016		30 Jun 2016	
	No.	\$	No.	\$
Balance at beginning of period	72,738,075	28,791,762	66,071,403	24,460,404
Share Placement (i)	-	-	6,666,672	5,000,004
Share issue costs	-	-	-	(668,646)
	72,738,075	28,791,762	72,738,075	28,791,762

(i) Issue of fully paid ordinary shares at \$0.75 each on 17 July 2015 to institutional investors in USA via a private placement.

8. Shares yet to be issued

As at 31 December 2016, the Company received \$10,000 as a result of the exercise of 25,000 unlisted options at \$0.40 each. Fully paid ordinary shares pertaining to the exercise of these options were yet to be issued as at 31 December 2016.

9. Option reserves

	31 Dec 2016	30 Jun 2016
	\$	\$
Share-based payments		
Balance at beginning of period	3,717,440	3,276,148
Recognition of share-based payments (i)	80,810	441,292
Balance at end of period	3,798,250	3,717,440

The equity-settled employee benefits reserve arises on the grant of share options to executives, employees, consultants and advisors.

- (i) Total amount arising from share-based payment transactions recognised during the half-year ended 31 December 2016 was \$80,810 (30 June 2016: \$441,292).

10. Contingent liabilities and contingent assets

There has been no significant change in contingent liabilities and/or contingent assets since the last annual report. Please refer to the 30 June 2016 annual financial report.

11. Commitments**Research commitments**

The Group has entered into a number of agreements related to research and development activities. As at 31 December 2016, under these agreements, the Company is committed to making payments over the future period, as follows:

	A\$
- During the period 1 Jan 2017 – 30 June 2017	1,223,809
- During the period 1 July 2017 – 30 June 2018	1,445,337
- During the period 1 July 2018 – 30 June 2020	517,655

Where commitments are denominated in foreign currencies, the amounts have been converted to Australian dollars based on exchange rates prevailing as at 31 December 2016.

12. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report. Arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2016 annual financial report.

Key management personnel continue to receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payments.

13. Subsequent events

On 19 January 2017, the Company executed a licence 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. This option is exercisable at any time up to 90 days after the completion of the primary evaluation period of Cynata's current phase 1 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.

On 23 January 2017, the Company successfully completed a placement of approximately 9.23 million fully paid ordinary shares at a price of \$0.65, for gross proceeds of A\$6.0 million before costs (Placement). The Placement was made to existing and new sophisticated and institutional investors.

On 25 January 2017, the Company issued 8,088,403 fully paid ordinary shares (escrowed for 12 months) at \$0.49113 each to FUJIFILM Corporation of Japan under a licence option agreement. FUJIFILM now has an equity stake of just under 10% in Cynata.