ASX Appendix 4D

Half-Year Financial Report to 31 December 2017

1. Details of reporting period

Name of Entity	Cynata Therapeutics Limited ("the Company")
ABN	98 104 037 372
Reporting Period	**31 December 2017**
Previous Corresponding Period	31 December 2016

2. Results for announcement to the market

				$
Revenues from ordinary activities	Up	203.72%	to	77,140
Loss for the half-year	Up	77.77%	to	1,815,702
Total comprehensive loss for the half-year attributable to members	Up	77.81%	to	1,815,702

	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 2017	31 December 2016
Net tangible backing per ordinary security	9.52 cents	5.15 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 2017.

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 2018

Cynata Therapeutics Limited

ABN 98 104 037 372

and its controlled entities

Half year report for the half-year ended

31 December 2017

Corporate directory

Board of Directors

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

Company Secretary

Mr Peter Webse

Registered and Principal Office

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Auditors

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ASX Code

CYP

Half year report for the half-year ended 31 December 2017

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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 2017. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

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

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

Review of operations

The loss of the Group for the half-year ended 31 December 2017, after accounting for an R&D refund of $1,328,685 and providing for income tax, amounted to $1,815,702 compared to a loss of $1,021,369 for the half-year ended 31 December 2016.

Key Highlights

- Strong clinical trial progress with first cohort of patients (Cohort A) completing enrolment in the graft-versus-host-disease (GvHD) trial, triggering the Data Safety and Monitoring Board (DSMB) review that completed post the half year end.
- Completion of asthma study confirmed efficacy of Cymerus™ MSCs on reduction of airway hyperresponsiveness, airway remodelling and fibrosis when used in conjunction with, and independently to, corticosteroid treatment.
- Patent portfolio strengthened with US Patent granted to cover key aspects of the Cymerus stem cell technology.

Milestones Achieved in World's First Clinical Trial

In November 2017, Cynata completed the enrolment and dosing of the first cohort in its world first clinical trial of its CYP-001 mesenchymal stem cell (MSC) product for the treatment of GvHD, an event that triggered a planned Data Safety Monitoring Board (DSMB) review.

The first cohort (Cohort A) were dosed with one infusion of CYP-001 at a dose of one million cells per kilogram of bodyweight. The DMSB review concluded in January, post the half year end, with the recommendation that the trial progress to the second cohort of patients (Cohort B).

Preclinical Study Developments

During the period, the Company completed its final preclinical asthma study and demonstrated clear efficacy of Cynata's proprietary Cymerus MSCs in a clinically-relevant model of asthma. The study confirmed that treatment with Cymerus MSCs caused significantly greater reduction of airway hyperresponsiveness, airway remodelling and fibrosis compared to corticosteroid treatment and that when used in combination with corticosteroids there was a pronounced effect producing substantial anti-inflammatory effects in addition to the benefits seen with Cymerus treatment alone.

The Company continues its investigation into the use of its Cymerus MSCs as a treatment for acute respiratory distress syndrome (ARDS) with the *Critical Care Research Group* in association with the *Prince Charles Hospital and a* successful study could potentially result in progression to a clinical trial.

Partnerships and Licensing Agreements

The Company has in place a number of partnerships and commercial agreements, including its licence option agreement with Fujifilm, a deal potentially worth in excess of USD60m, plus royalty payments and a non-exclusive licencing option agreement with apceth for a number of disease target areas.

Patents

Cynata was granted a Patent by the US Patent and Trademark Office (USPTO) entitled "A method of making primate cells expressing apelin receptor that have mesangioblast potential" and covers certain proprietary methods relating to the Cymerus platform's ability to manufacture MSCs at scale.

Furthermore, the Company received a Notice of Allowance from the USPTO for another patent tied to its Cymerus platform. The patent is entitled "Methods and material for hematoendothelial differentiation of human pluripotent stem cells under defined conditions".

Events post the Half-Year End

The DSMB review took place in January 2018 and recommended Cynata progress to the next stage of the clinical trial as planned with the second cohort of patients with no modifications to the current protocol. All eight patients in Cohort A demonstrated at least a Partial Response to the treatment and no treatment-related adverse events or safety concerns were identified.

Recruitment for the second cohort is now well underway, with the first patient enrolled just days after the completion of DSMB review. The second cohort with receive two infusions of CYP-001 at a dose of two million cells per kilogram of bodyweight – twice that of the first cohort.

Post the half-year end, the Company also announced a Memorandum of Understanding with Celularity, Inc. for the evaluation of and identification of commercial opportunities for the Cymerus platform and Celularity's cell therapy assets. This provides a unique opportunity to expand Cynata's disease target areas into a range of degenerative and immunological diseases.

Most recently, the Company provided an update on its study to evaluate the ability to genetically engineer Cymerus MSCs for the treatment of cancer**.** The first stage of the study, taking place in partnership with Harvard Medical School, has found that Cymerus MSCs can be successfully engineered to become cells that can express diagnostic and therapeutic proteins, which detect and prevent diseases (including cancers) using unique genetics that have been engineered by the study's lead investigator. The ability to genetically engineer the Cymerus MSCs also opens up additional potential applications for the Cymerus platform.

Outlook

The Company has achieved a number of important milestones during the half-year period and in the recent months. The Phase I GvHD clinical trial is progressing well and expected to complete in 2018. The recommendation from the DSMB and the encouraging efficacy and safety data following analysis of the first patient cohort provides a strong level of confidence in the capabilities of the Company's proprietary CYP-001 product and MSC technologies.

Pre-clinical studies continue to progress, and the Company also continues to advance its partnerships and discussions third parties, with the anticipation of securing further licencing agreements for other disease indications.

The Company received a A$1.3m Tax Incentive Refund for the 2016/2017 financial year and closed the half year period with $8.8m and has an operating runway into 2019, based on current projections.

Auditor's independence declaration

The auditor's independence declaration is included on page 4 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 2018

Stantons International Audit and Consulting Pty Ltd
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27 February 2018

Board of Directors
Cynata Therapeutics Limited
Level 3, 62 Lygon Street
CARLTON, VICTORIA, 3053

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 2017, 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

Stantons International Audit and Consulting Pty Ltd
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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 2017, 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 2017 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 2018.

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 2017 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 2018

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 2018

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2017

	Note	Consolidated Half-year ended 31 Dec 2017 $	Consolidated Half-year ended 31 Dec 2016 $
Revenue from continuing operations	4	77,140	25,398
Other income	4	1,375,135	1,748,874
Total revenue and other income		**1,452,275**	**1,774,272**
Product development and marketing costs		(1,854,124)	(1,619,313)
Employee benefits expenses		(373,330)	(495,019)
Share based payments expenses	8	(201,553)	(80,810)
Depreciation and amortisation expenses	6	(139,983)	(139,983)
Other operational expenses		(698,986)	(460,516)
Loss before income tax		**(1,815,701)**	**(1,021,369)**
Income tax expense		-	-
Loss for the period		**(1,815,701)**	**(1,021,369)**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss			
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		**(1,815,701)**	**(1,021,120)**
Loss attributable to:			
Owners of Cynata Therapeutics Limited		**(1,815,701)**	**(1,021,369)**
Total comprehensive loss attributable to:			
Owners of Cynata Therapeutics Limited		**(1,815,701)**	**(1,021,120)**
Loss per share:			
Basic and diluted (cents per share)		(2.02)	(1.40)

Condensed notes to the consolidated financial statements are included on pages 12 to 15.

Condensed consolidated statement of financial position as at 31 December 2017

	Note	Consolidated 31 Dec 2017 $	Consolidated 30 Jun 2017 $
Current assets			
Cash and cash equivalents		8,839,013	10,349,764
Trade and other receivables	5	73,143	91,272
Total current assets		**8,912,156**	**10,441,036**
Non-current assets			
Intangibles	6	3,673,174	3,813,157
Total non-current assets		**3,673,174**	3,813,157
Total assets		**12,585,330**	**14,254,193**
Current liabilities			
Trade and other payables		316,542	385,744
Provisions		18,340	3,853
Total current liabilities		**334,882**	389,597
Total liabilities		**334,882**	**389,597**
Net assets		**12,250,448**	**13,864,596**
Equity			
Issued capital	7	38,377,761	38,377,761
Option reserves	8	4,167,740	3,966,187
Foreign currency translation reserves		4,724	4,724
Accumulated losses		(30,299,777)	(28,484,076)
Total equity		**12,250,448**	**13,864,596**

Condensed notes to the consolidated financial statements are included on pages 12 to 15.

Condensed consolidated statement of changes in equity for the half-year ended 31 December 2017

Consolidated	Issued Capital $	Shares yet to be issued $	Option Reserve $	Foreign currency translation reserve $	Accumulated losses $	Total $
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/(loss), 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	-	10,000	-	-	-	10,000
Share issue costs	-	-	-	-	-	-
Share based payments	-	-	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**
Balance at 1 July 2017	**38,377,761**	**-**	**3,966,187**	**4,724**	**(28,484,076)**	**13,864,596**
Loss for the period	-	-	-	-	(1,815,701)	(1,815,701)
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**-**	**(1,815,701)**	**(1,815,701)**
Issue of ordinary shares	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-
Share based payments (*refer to note 8*)	-	-	201,553	-	-	201,553
Balance at 31 December 2017	**38,377,761**	**-**	**4,167,740**	**4,724**	**(30,299,777)**	**12,250,448**

Condensed notes to the consolidated financial statements are included on pages 12 to 15.

Condensed consolidated statement of cash flows for the half-year ended 31 December 2017

	Note	Consolidated Half-year ended 31 Dec 2017 $	Consolidated Half-year ended 31 Dec 2016 $
Cash flows from operating activities			
Grants received		46,450	-
Payments to suppliers and employees		(1,150,633)	(1,167,403)
Interest received		84,540	35,688
Research and development tax refund received		1,328,685	1,748,874
Product development costs paid		(1,819,793)	(1,592,088)
Net cash (used) in operating activities		(1,510,751)	(974,929)
Cash flows from financing activities			
Proceeds from equity instruments of the Company		-	-
Proceeds from equity instruments not yet issued		-	10,000
Payment for share issue costs		-	-
Net cash provided by financing activities		-	10,000
Net (decrease) in cash and cash equivalents		**(1,510,751)**	**(964,929)**
Cash and cash equivalents at the beginning of the period		10,349,764	4,879,173
Cash and cash equivalents at the end of the period		**8,839,013**	**3,914,244**

Condensed notes to the consolidated financial statements are included on pages 12 to 15.

Condensed notes to the consolidated financial statements for the half-year ended 31 December 2017

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 2017 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 2018.

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 2017 annual financial report for the financial year ended 30 June 2017, 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 2017.

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 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*

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, 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 2017 and the directors have not recommended the payment of a dividend.

4. Revenue and other income

	31 Dec 2017 $	31 Dec 2016 $
Revenue from continuing operations		
Interest income	77,140	25,398
Other income		
Grants received	46,450	-
R&D rebate received	1,328,685	1,748,874
	1,375,135	1,748,874

5. Trade and other receivables

	31 Dec 2017 $	30 Jun 2017 $
Deposits made	3,568	3,568
Other receivables	69,575	87,704
	73,143	91,272

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

6. Intangibles

	31 Dec 2017 $	30 Jun 2017 $
Balance at the beginning of the period (i)	3,813,157	4,093,122
Amortisation (ii)	(139,983)	(279,965)
Balance at the end of the period	3,673,174	3,813,157

(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 2017 (31 December 2016: $139,983). For more information on the Group's accounting policy on intangibles and amortisation, refer to the 2017 annual financial report.

7. Issued capital

	31 Dec 2017 $	30 Jun 2017 $
90,057,248 fully paid ordinary shares (30 June 2017: 90,057,248)	38,377,761	38,377,761

Fully paid ordinary shares	31 Dec 2017		30 Jun 2017	
	No.	$	No.	$
Balance at beginning of period	90,057,248	38,377,761	72,738,075	28,791,762
Issue of shares (i)	-	-	8,088,403	3,972,457
Share placement (ii)	-	-	9,230,770	6,000,001
Share issue costs	-	-	-	(386,459)
	90,057,248	38,377,761	90,057,248	38,377,761

(i) Issue of fully paid ordinary shares at $0.49113 each on 25 January 2017 to FUJIFILM Corporation of Japan.
(ii) Issue of fully paid ordinary shares at $0.65 each on 30 January 2017 pursuant to a placement.

8. Option reserves

Share-based payments	**31 Dec 2017** $	**30 Jun 2017** $
Balance at beginning of period	3,966,187	3,717,440
Recognition of share-based payments (i)	201,553	248,747
Balance at end of period	4,167,740	3,966,187

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 2017 was $201,553 (30 June 2017: $248,747).

9. 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 2017 annual financial report.

10. Commitments

Research commitments

The Group has entered into a number of agreements related to research and development activities. As at 31 December 2017, under these agreements, the Company is committed to making payments over the future period, as follows:

	A$
- During the period 1 Jan 2018 – 30 June 2018	1,391,974
- During the period 1 July 2018 – 30 June 2019	746,486
- During the period 1 July 2019 – 30 June 2021	401,378

Where commitments are denominated in foreign currencies, the amounts have been converted to Australian dollars based on exchange rates prevailing as at 31 December 2017.

11. 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 2017 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.

12. Subsequent events

On 22 January 2018, the Company announced that the independent Data Safety Monitoring Board (DMSB) recommended that Cynata's clinical trial of its lead Cymerus™ mesenchymal stem cell (MSC) product CYP-001 should progress to the next stage. The recommendation to progress to the next stage (Cohort B) followed an independent review by the DSMB of the eight participants in Cohort A. Recruitment for Cohort A commenced in May 2017 and there are currently seven trial sites active and ready to enrol participants into Cohort B.

On 23 January 2018, the Company announced that it had entered into a memorandum of understanding (MoU) with Celularity Inc., for the commercial evaluation of Cynata's Cymerus™ production technology for use with Celularity's therapeutic stem cell technologies.

On 24 January 2018, the Company announced that the first patient in Cohort B has been treated with CYP-001, the Company's first mesenchymal stem cell (MSC) product for steroid-resistant acute graft-versus-host disease (GvHD).