



ASX ANNOUNCEMENT

30 January 2015

ACTIVITY REPORT & APPENDIX 4C

Melbourne, Australia; 30 January 2015: Regenerative medicine company Cynata Limited's Quarterly Cash Flow Report for the quarter ended 31 December 2014 is attached.

During the quarter the Company continued to develop its proprietary platform Cymerus™ technology for essentially limitless production of therapeutic mesenchymal stem cells (MSCs). Global interest in MSCs continues to grow as multiple clinical trials achieve positive results in a range of diseases. The stem cell and regenerative medicine space is one of the fastest growing market segments in medicine and Cynata is positioned at the forefront of stem cell manufacturing with the Cymerus™ technology.

During the quarter, Cynata has:

- Met with the European Medicines Agency as part of the formal process toward approval of an application to commence the first clinical study of the Company's Cymerus® stem cell treatment
- Been covered by leading broker BBY in a highly favourable equity research report
- Presented the Company to sophisticated investors in the USA, Singapore and Hong Kong
- Expanded the international skills and experience of its Board with the appointment of US based life sciences veteran Dr John Chiplin as a non-executive Director
- Successfully completed the exercise of the Company's December 2014 options with the vast majority of option holders exercising their options
- Presented as an invitee Company at the RegMed Capital Conference segment of the World Stem Cell Summit in the USA

Building Investor and Partner Awareness

As the Company continues to advance the development of its unique mesenchymal stem cell (MSC) technology, Cymerus™, there is increasing interest from global life science investors and potential partners. During the quarter we presented to relevant investors in the US and Asia and also had an opportunity to expose Cynata to a broad audience of investors and potential partners at the World Stem Cell Summit in December. We intend to implement a vigorous investor outreach program during 2015 to ensure that the exciting potential of Cynata and its stem cell technologies are shared with new investors. This will be aided not only by evidence of our solid progress but also by the favourable equity research reports published by BBY and by Baillieu Holst. The reputation and connections brought to Cynata with the appointment of Dr John Chiplin will also be of particular relevance to our expanded investor relations activities.

An important step toward approval of an application to commence the first clinical study of our Cymerus® MSC product occurred during the quarter with a formal Scientific Advice meeting with the European Medicines Agency (EMA). We are now in the process of integrating the information from this meeting into our product development plans and will continue interactions with the EMA and other regulators as our plans evolve.

The exercise by the vast majority of option holders of the December 2014 options provided Cynata with additional capital and resulted in a simpler capital structure. As part of this process we welcomed several new prominent shareholders to the register.

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Dr Stewart Washer, Executive Chairman: Tel: 0418 288 212; email stewart.washer@cynata.com

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 seeks to address 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")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) staff costs	(96)	(192)
(b) advertising and marketing	(11)	(11)
(c) research and development	(444)	(698)
(d) leased assets	-	-
(e) other working capital	(193)	(280)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	20	43
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Trip rebate received /Insurance Recoveries)	1	4
Net operating cash flows	(723)	(1,134)

+ 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 (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(723)	(1,134)
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	(723)	(1,134)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	1,330	1,333
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 (Funds received from shares yet to be issued)	724	724
Net financing cash flows	2,054	2,057
Net increase (decrease) in cash held	1,331	923
1.21 Cash at beginning of quarter/year to date	4,686	5,095
1.22 Exchange rate adjustments to item 1.21	139	138
1.23 Cash at end of quarter	6,156	6,156

+ 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	209
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 superannuation benefits and professional consultancy fees. All payments are on normal commercial terms.

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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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	3	5
4.2 Deposits at call	6,153	4,681
4.3 Bank overdraft	-	-
4.4 Other (cash brought in from acquiree)	-	-
Total: cash at end of quarter (item 1.23)	6,156	4,686

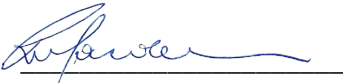
Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
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: 30 January 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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