



BBY Research - 20 October 14

Cynata Therapeutics Limited

CYP A\$0.36 **TARGET PRICE** A\$0.60 **SPECULATIVE BUY**

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Cynata Therapeutics (CYP) is developing its Cymerus™ stem cell platform technology, which facilitates commercial-scale manufacture of a consistent, reproducible “off-the-shelf” stem cells for therapeutic product use.

Manufacturing consistent, reproducible stem cells in unlimited quantities

Cynata Therapeutics Limited (CYP) is developing regenerative therapies based on a novel source of adult stem cells. CYP derives its mesenchymal stem cell (MSC) products from recently-discovered induced pluripotent stem cells (iPS). These iPS-derived MSCs, which CYP calls Cymerus cells, have very similar properties to MSC's isolated from adult tissues, such as the bone marrow-derived MSCs being developed by other stem cell companies. While work on iPS derived MSCs is still at an early stage, pre-clinical studies suggest that iPS-MSCs may be more efficacious than bone-marrow derived MSCs in some therapeutic indications. CYP believes that its Cymerus technology will enable the commercial-scale manufacture of off-the-shelf stem cell therapies that are more consistent and reproducible than the products developed using alternative technologies. If this proves to be the case then CYP could potentially rival Mesoblast, the leading stem cell company in the world with a market cap of A\$1.3B. We initiate coverage with a SPECULATIVE BUY recommendation and price target of A\$0.60/sh.

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