

19 July 2019

Madeleine Green
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Via email:

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Dear Madeleine

RESPONSE TO ASX PRICE QUERY

Cynata Therapeutics Limited (the **Company**) provides this response in relation to ASX's letter dated 16 July 2019 regarding the change in the price of the Company's securities from a low of \$1.23 to a high of \$1.60 over the five trading days to 16 July 2019.

In response to the questions in ASX's letter, the Company advises as follows.

1. *Is CYP aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?*

See separate ASX announcement issued by the Company on 19 July 2019 regarding receipt of a non-binding, indicative and conditional proposal from Sumitomo Dainippon Pharma Co., Ltd. to acquire 100% of the shares in the Company by way of a scheme of arrangement.

As noted in the ASX announcement, the terms of any proposal are not yet agreed, and there is no assurance that any binding scheme implementation agreement in respect of the proposal will eventuate.

The Board does not believe that the existence of the proposal, or the Company's engagement with certain other parties in relation to making a proposal, is public information or would explain the recent trading in its securities.

Other than the above, and subject to the observations at question 3 below, the Board is not aware of any other information concerning the Company which, if known by some in the market, could explain the recent trading in CYP securities.

2. See response to question 1 above.

3. *If the answer to question 1 is “no”, is there any other explanation that CYP may have for the recent trading in its securities?*

The Company believes that there are a number of potential factors which could explain the recent trading in its securities.

- a. As announced to ASX on 30 May 2019, the Company’s Cymerus™ technology was recently featured in several presentations at the Annual Meeting of the International Society of Cell and Gene Therapy.
- b. The Company released its June 2019 Quarterly Report on 4 July 2019, which provided a progress update on the Company’s discussions with Fujifilm for the exercise of its license option. The license option has been extended to 5:00pm Melbourne time on 19 September 2019 and substantial progress has been made following numerous bi-lateral discussions and a recent tri-lateral face-to-face meeting at the Wisconsin Alumni Research Foundation (WARF).
- c. Prior to the announcement of the extension of the Fujifilm licence option in March 2019, CYP securities traded at \$1.79 per share, materially above the levels witnessed at close of trade of 16 July 2019.
- d. The Company is aware of the recent online publication of certain articles written by bloggers, industry commentators and share traders regarding the Company’s technology and its growing international profile. Additionally, the Company has witnessed increasing levels of global interest in stem cell technologies generally.

In addition to the above factors, the Company notes that the volume of trading during the relevant period has not been significantly higher than the seasonal average historical trading volumes for the Company. An analysis of the recent trading patterns indicates that retail trading made up the majority of the recent trading volumes. The relatively low liquidity of CYP securities can result in a material change in price in a relatively short period of time.

4. The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. I confirm that the responses above have been authorised and approved by the Board of the Company or an officer of the Company with delegated authority from the Board to respond to ASX on disclosure matters.



Yours sincerely

A handwritten signature in dark ink, appearing to read "P. Webse".

Peter Webse
Company Secretary



16 July 2019

Mr Peter Webse
Company Secretary
Cynata Therapeutics Limited

By email: peter.webse@pcscorporate.com.au

Dear Mr Webse

Cynata Therapeutics Limited ('CYP'): Price Query

We note the change in the price of CYP's securities from a low of \$1.23 to a high of \$1.60 over the past five trading days.

Request for Information

In light of this, ASX asks CYP to respond separately to each of the following questions and requests for information:

1. Is CYP aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is CYP relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in CYP's securities would suggest to ASX that such information may have ceased to be confidential and therefore CYP may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that CYP may have for the recent trading in its securities?
4. Please confirm that CYP is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that CYP's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CYP with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **7:30 AM AWST, Wednesday, 17 July 2019**. If we do not have your response by then, ASX will likely suspend trading in CYP's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CYP's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to CYP's obligations under Listing Rules 3.1 and 3.1A and also to Guidance *Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that CYP's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in CYP's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in CYP's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Madeleine Green
Senior Adviser, Listings Compliance (Perth)