

14 October 2021

Dear Shareholder

**CYNATA THERAPEUTICS LIMITED – UPCOMING ANNUAL GENERAL MEETING**

Cynata Therapeutics Limited (ASX: CYP) (**Company**) will be holding its Annual General Meeting at 11.30 am AEDT on Tuesday, 16 November 2021 (**Meeting**).

The Company is continuing to monitor the impact of the COVID-19 virus in Victoria and to follow guidance from the Federal and State Governments. In light of the current circumstances and continued uncertainty on restrictions on gatherings, the Directors have made the decision to hold the Meeting virtually. Accordingly, there will not be a physical location where shareholders can attend the Meeting in person.

In accordance with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021, the Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has requested a hard copy (after the date of this letter) by Friday, 12 November 2021. The Notice of Meeting can be viewed and downloaded from the link set out below. Please also refer to the Notice of Meeting for details on how to participate in the Meeting.

The Company **strongly encourages Shareholders to lodge a directed proxy form prior to the meeting**. Questions should also be submitted in advance of the Meeting as this will provide management with the best opportunity to prepare for the Meeting, for example by preparing answers in advance to Shareholders' questions. However, votes and questions may also be submitted during the Meeting. Further details of how to participate in the Meeting are set out in the Notice of Meeting.

Please find below links to important Meeting documents:

- Notice of Meeting and Explanatory Memorandum: <https://www.cynata.com/cyp-asx-announcements>
- Online Meeting platform: <https://investor.automic.com.au/#/home>.

A complete copy of the important Meeting documents has been posted on the Company's ASX market announcements page.

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the important Meeting documents.

In order to receive electronic communications from the Company in the future, please enter (or update) your Shareholder details online at <https://investor.automic.com.au/#/home> and log in with your unique shareholder identification number and postcode (or country for overseas residents). Once logged in you can also lodge your proxy vote online by clicking on the "Meetings" tab.

If you are unable to access any of the important Meeting documents online please contact the Company Secretary, Peter Webse, on +61 8 6377 8043 or via email at [pwebse@governancecorp.com.au](mailto:pwebse@governancecorp.com.au).

Yours sincerely



**Peter Webse**  
Company Secretary

-ENDS-



Authorised for release by Dr Ross Macdonald, Managing Director & CEO

**CONTACTS:** Dr Ross Macdonald, CEO, Cynata Therapeutics, +61 (0)412 119343, [ross.macdonald@cynata.com](mailto:ross.macdonald@cynata.com)

Lauren Nowak, Media Contact, +61 (0)400 434 299, [laurenmaree@live.com.au](mailto:laurenmaree@live.com.au)

#### **About Cynata Therapeutics (ASX: CYP)**

Cynata Therapeutics Limited (ASX: CYP) is an Australian clinical-stage stem cell and regenerative medicine company focused on the development of therapies based on Cymerus™, a proprietary therapeutic stem cell platform technology. Cymerus™ overcomes the challenges of other production methods by using induced pluripotent stem cells (iPSCs) and a precursor cell known as mesenchymoangioblast (MCA) to achieve economic manufacture of cell therapy products, including mesenchymal stem cells (MSCs), at commercial scale without the limitation of multiple donors.

Cynata's lead product candidate CYP-001 met all clinical endpoints and demonstrated positive safety and efficacy data for the treatment of steroid-resistant acute graft-versus-host disease (GvHD) in a Phase 1 trial. Planning for a Phase 2 clinical trial in GvHD is presently underway. Clinical trials of Cymerus products in osteoarthritis (Phase 3) and in patients with respiratory failure are currently ongoing. In addition, Cynata has demonstrated utility of its Cymerus technology in preclinical models of numerous diseases, including the clinical targets mentioned above, as well as asthma, heart attack, sepsis, acute respiratory distress syndrome (ARDS) and cytokine release syndrome.

Cynata Therapeutics encourages all current investors to go paperless by registering their details with the designated registry service provider, Automic Group.

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## **CYNATA THERAPEUTICS LIMITED**

ACN 104 037 372

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### **NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of the Company will be convened from Melbourne on 16 November 2021 at 11.30 am (AEDT) and will be a virtual Meeting.**

**The Company is pleased to provide Shareholders with the opportunity to attend and participate in the virtual Meeting through an online meeting platform powered by Automic, where Shareholders will be able to watch, listen, ask questions and vote online.**

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*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 6377 8043.***

# CYNATA THERAPEUTICS LIMITED

ACN 104 037 372

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Cynata Therapeutics Limited (**Company**) will be convened from Melbourne by way of virtual Meeting on 16 November 2021 at 11.30 am (AEDT) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum also forms part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 14 November 2021 at 11.30 am (AEDT).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 8 of the Explanatory Memorandum.

## AGENDA

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### Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2021, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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### 1. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report be adopted."*

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

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### 2. Resolution 2 – Re-election of Dr Paul Wotton as a Director

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That Dr Paul Wotton, who retires in accordance with Listing Rule 14.5 and clause 8.1(f) of the Constitution, being eligible and offering himself for re-election, is re-elected as a Director."*

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### 3. Resolution 3 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

*"The Company have the additional capacity to issue equity securities provided for in Listing Rule 7.1A."*

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#### 4. Resolution 4 – Increase cap on Non-Executive Directors' remuneration

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, pursuant to and in accordance with clause 8.3(a) of the Constitution, Listing Rule 10.17 and for all other purposes, the limit on total aggregate remuneration that may be paid to Non-Executive Directors be increased by \$100,000 per annum, from \$300,000 per annum to a maximum of \$400,000 per annum."*

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#### 5. Voting exclusions

The Company will disregard any votes cast on Resolutions 1 or 4 in contravention of sections 250BD or 250R of the Corporations Act.

In accordance with the Listing Rule 14.11, the Company will disregard votes cast in favour of the following Resolutions by or on behalf of:

Resolution	Person excluded from voting
Resolution 4 – Increase cap on Non-Executive Directors' remuneration	All Directors and their Associates

However, the Company need not disregard on the above Resolutions if the vote is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the chair to vote as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Dated 11 October 2021

**BY ORDER OF THE BOARD**



Mr Peter Webse  
Company Secretary

## **EXPLANATORY MEMORANDUM**

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### **1. Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be convened by way of virtual Meeting on 16 November 2021 at 11.30 am (AEDT).

The Board recognises that the coronavirus (COVID-19) outbreak and associated social distancing measures (including travel restrictions and bans on gatherings of certain sizes) has made the holding the Annual General Meeting in person impractical and contrary to medical guidance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Annual General Meeting will be entirely virtual and will not be able to be attended in person.

Instead, Shareholders will be able to attend via video conference. Shareholders are strongly encouraged to attend via video conference, rather than attending in person which will not be possible. Details of how to attend the virtual Annual General Meeting are set out in Section 2.3 below.

Following recent modifications brought to the *Corporations Act 2001* and based on temporary relief measures (to meet regulatory requirements under the *Corporations Act 2001*) included in the recently enacted *Treasury Laws Amendment (2021 Measures No.1) Act 2021*, **no hard copy** of the Notice of Annual General Meeting and Explanatory Memorandum will be circulated. Instead, these materials are available at <http://www.cynata.com/asx-announcements> and on the Australian Securities Exchange announcements platform ([www.asx.com.au](http://www.asx.com.au)).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

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### **2. Action to be taken by Shareholders**

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### **2.1 Proxies**

Please note that:

- (a) a member of the Company entitled to attend and vote at the virtual Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy votes can be lodged online at <https://investor.automic.com.au/#/loginsah>. Alternatively, any proxy appointment documents may be provided:

- (a) In Person – Automic, Level 5, 126 Phillip Street, Sydney NSW 2000;
- (b) By Mail – Automic, GPO Box 5193, Sydney NSW 2001;

(c) By Email – [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au); or

(d) By Facsimile – +61 (0)2 8583 3040.

Proxy appointments must be received by 14 November 2021 at 11.30 am (AEDT), being not later than 48 hours before the commencement of the Meeting. Any proxy appointments received after that time will not be valid for the Meeting.

## **2.2 Virtual Meeting**

The Company is pleased to provide Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen and vote online.

Shareholders will be able to vote and ask questions at the virtual Meeting. Shareholders are also encouraged to submit questions in advance of the Meeting to the Company. Questions must be submitted in writing to Peter Webse, Company Secretary at [pwebse@governancecorp.com.au](mailto:pwebse@governancecorp.com.au) at least 48 hours before the Meeting.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

## **2.3 Attending the Meeting virtually**

To access the virtual Meeting:

1. Open your internet browser and go to [investor.automic.com.au](http://investor.automic.com.au).
2. Login with your username and password or click “Register” if you haven’t already created an account. Shareholders are encouraged to create an account prior to the start of the Meeting to ensure there is no delay in attending the virtual Meeting.
3. After logging in, a banner will display at the bottom of your screen to indicate that the Meeting is open for registration. Click on “Register” when this appears. Alternatively, click on “Meetings” on the left hand menu bar to access registration.
4. Click on “Register” and follow the steps.
5. Click on the URL to join the webcast where you can view and listen to the virtual Meeting. Note that the webcast will open in a separate window.

Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" to be taken to the voting screen.

Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted.

For further information on the live voting process please see the “Registration and Voting Guide” at <https://www.automicgroup.com.au/virtual-agms/>.

The Company will provide Shareholders with the opportunity to vote and ask questions at the Meeting in respect of the formal items of business as well as general questions in respect to the Company and its business.

## 2.4 How do I create an account with Automic?

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

Further information and support on how to use the platform is available on the share registry website – [www.automic.com.au](http://www.automic.com.au). It is recommended that you register to use the registry website well in advance of the Meeting to save time on the day of the Meeting. Should you have any difficulties, you can contact the registry by telephone on 1300 288 664 (within Australia) and +61 2 9698 5414 (overseas).

You may still attend the Meeting and vote even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance at the Meeting will not revoke your proxy appointment unless you actually elect to attend as a voting holder at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment will be deemed to be revoked with respect to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6377 8043

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## 3. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the Annual Report can be found on the Company's website [www.cynata.com](http://www.cynata.com) or by contacting the Company Secretary on +61 8 6377 8043.

There is no requirement for Shareholders to approve the Annual Report.

In addition to being offered the opportunity to discuss the Annual Report, Shareholders will be able to:

- (a) ask questions or make comment on the management of the Company; and
- (b) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company's registered office.

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## 4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to a vote of Shareholders. The Directors' Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.



Section 250R(3) of the Corporations Act provides that this Resolution is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass this Resolution will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, under sections 250U and 250Y of the Corporations Act, Shareholders have the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting, a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

At the Company's 2020 Annual General Meeting the remuneration report was approved by over 75% of Shareholders present and voting.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that all Directors (other than the Managing Director) may be up for re-election.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by appointing the Chairman as proxy, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

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## **5. Resolution 2 – Re-election of Dr Paul Wotton as Director**

### **5.1 Background**

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting. The note to Listing Rule 14.5 clarifies that if no director is required to stand for re-election under Listing Rule 14.4, the entity must select at least one of its existing directors to stand for re-election.

Clause 8.1(f) provides that the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation is eligible for re-election.

Dr Geoff Brooke and Dr Paul Wotton are the Directors longest in office since their last election, having been re-elected at the Company's 2019 Annual General Meeting. Dr Paul Wotton has agreed to retire by rotation at this Meeting and, being eligible, seeks re-election.

### **5.2 Biography of Dr Paul Wotton**

Dr Wotton *MBA, PhD*, is an Independent Non-Executive Chairman of the Company. He joined the Board in June 2016 and was Non-Executive Chairman from February 2017 until August 2018. He is the Chief Executive Officer of Obsidian Therapeutics, a leading synthetic biology company based in Cambridge, Massachusetts. Prior to this, he was Founding President and CEO of Sigilon

Inc. Dr Wotton was previously President and CEO of Ocata Therapeutics Inc (NASDAQ: OCAT), guiding the company through a take-over by Astellas Pharma Inc, in a US\$379 million all cash transaction. Prior to joining Antares, Dr Wotton was the CEO of Topigen Pharmaceuticals and prior to Topigen, he was the Global Head of Business Development of SkyePharma PLC.

Dr Wotton held senior level positions at Eurand International BV, Penwest Pharmaceuticals, Abbot Laboratories and Merck, Sharp and Dohme. He is a member of the Board and Governance Committee of Vericel Corporation, a US company developing autologous cellular therapies and a member of the board of PaxMedica, where he is Chairman of the Compensation Committee, until its acquisition by Asahi Kasei in February 2020 in a \$3 billion all cash transaction. He is also past Chairman of the Emerging Companies Advisory Board of BIOTEC Canada. Dr Wotton received his PhD in pharmaceutical sciences from the University of Nottingham. In 2014, he was named New Jersey EY Entrepreneur of the Year in Life Sciences.

### **5.3 Recommendation**

Resolution 2 is an ordinary resolution.

The Board (other than Dr Wotton) unanimously supports the re-election of Dr Wotton.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 2.

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## **6. Resolution 3 – Approval of 10% Placement Facility**

### **6.1 General**

Listing Rule 7.1A enables eligible entities to seek approval of Shareholders by special resolution to have the capacity to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

### **6.2 ASX Listing Rule 7.1A**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% for the 12 months following that meeting.

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 3 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without further Shareholder approval.

If Resolution 3 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

### **6.3 Further requirements of Listing Rule 7.1A**

- (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being the Shares (ASX Code: CYP).

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 10% Placement Period, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.3(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days in which trades in that class were recorded immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within ten Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

**(Minimum Issue Price).**

- (f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained (which, in the case of Resolution 3, will be 16 November 2022);
- (ii) the time and date of the Company's 2022 annual general meeting; or
- (iii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by the ASX,

**(10% Placement Period).**

#### **6.4 Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The 10% Placement Period is as set out in section 6.3(f) above.
- (b) The Equity Securities will be issued at an issue price of not less than the Minimum Issue Price (defined above).
- (c) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Current Shareholders should be aware that there is a risk of economic and voting dilution that may result from an issue of Equity Securities under the 10% Placement Facility, including the risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future

specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.3125 50% decrease in Issue Price	\$0.625 Issue Price	\$1.25 100% increase in Issue Price
Current Variable A 121,836,299 Shares	10% voting dilution	12,183,629	12,183,629	12,183,629
	Funds raised	\$3,807,384	\$7,614,768	\$15,229,536
50% increase in current Variable A 182,754,448 Shares	10% voting dilution	18,275,444	18,275,444	18,275,444
	Funds raised	\$5,711,076	\$11,422,152	\$22,844,305
100% increase in current Variable A 243,672,598 Shares	10% voting dilution	24,367,259	24,367,259	24,367,259
	Funds raised	\$7,919,359	\$15,229,536	\$30,459,073

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
  - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
  - (vii) At the date of this Notice, there are currently 143,276,594 Shares on issue. However, this includes Shares issued in December 2020 under Listing Rules 7.1 and 7.1A which are excluded from the calculation of Variable A until 12 months after the date of the issue of these Shares.
  - (viii) The issue price is \$0.625, being the closing price of the Shares on 6 October 2021.
- (d) The Company will only issue the Equity Securities during the 10% Placement Period.
- (e) The Company may seek to issue the Equity Securities for cash consideration in order to raise funds for expanding or accelerating the Company's existing business activities (including expenses associated with further tests in relation to the Company's existing projects), pursuing other acquisitions that have a strategic fit or will otherwise add

value to Shareholders (including expenses associated with such acquisitions) and general working capital.

- (f) The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities.
- (g) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
  - (i) the purpose of the issue;
  - (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
  - (iii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iv) the financial situation and solvency of the Company; and
  - (v) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (h) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Company's 2020 AGM held on 24 November 2020.
- (i) The Company has issued a total of 11,689,950 Equity Securities in the 12 months preceding this Meeting under Listing Rule 7.1A.2 which represents approximately 9.98% of the total number of Equity Securities on issue at the commencement of that 12 month period. The Company issued:
  - (i) 6,930,460 Shares on 21 December 2020; and
  - (ii) 4,759,490 Shares on 24 December 2020,

to Shareholders under an institutional placement, cornerstoned by a \$10 million investment from BioScience Managers through the BioScience Managers Translation Fund 1 and also comprising certain other sophisticated and professional investors, some of whom were existing shareholders and others identified by Vesparum Capital. The Placement was announced on 11 December 2020 and was at an issue price of \$0.70 per Share, a 9.6% discount based on the 5 day VWAP immediately preceding 8 December 2020, raising a total of approximately \$4,851,322 which will be spent on expanding the Company's clinical development pipeline, process development and commercialisation and additional headcount, general working capital and corporate costs.

- (j) As at the date of this Notice of Meeting, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A2. Accordingly, there is no exclusion statement in respect of Resolution 3.

## **6.5 Recommendation**

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

## 7. Resolution 4 – Increase cap on Non-Executive Directors' remuneration

### 7.1 Background

In accordance with clause 8.3(a) of the Constitution and Listing Rule 10.17, the aggregate remuneration of Non-Executive Directors is determined from time to time by the Company in General Meeting. The annual remuneration pool was set at \$300,000 in 2007 and has not been changed since then, that is, it has not been changed in over 13 years. The total Non-Executive Director remuneration of the Company for the year ended 30 June 2021 utilised \$273,136 of this authorised amount.

Resolution 4 seeks Shareholder approval to set the maximum aggregate remuneration payable to Non-Executive Directors at \$400,000 per annum representing an increase of \$100,000.

The Board believes that the remuneration of the Directors must be maintained at a level consistent with similarly sized ASX-listed companies, taking into account the time commitment of the role and Company performance. The increase in the aggregate remuneration pool sought by Resolution 4 is designed to:

- (a) accommodate a potential increase in the number of independent Non-Executive Directors in the future; and
- (b) allow for future increases in remuneration to current or future Non-Executive Directors, should this be considered appropriate.

In the past three years, the Company has made the following issues of Equity Securities with prior Shareholder approval under Listing Rules 10.11 or 10.14 to Non-Executive Directors, or their nominees:

- (a) On 24 November 2020, Shareholders approved the issue of 2,900,000 options (the **Incentive Options**) to Non-Executive Directors under Listing Rule 10.14 as follows:
  - (i) 2,000,000 Incentive Options to Dr Geoff Brooke (or his nominee);
  - (ii) 300,000 Incentive Options to Dr Darryl Maher (or his nominee);
  - (iii) 300,000 Incentive Options to Dr Stewart Washer (or his nominee);
  - (iv) 300,000 Incentive Options to Dr Paul Wotton (or his nominee).
- (b) The Incentive Options are exercisable at \$0.97 each, expiring on 29 November 2025. See the explanatory memorandum to the Company's 2020 annual general meeting for a full summary of the terms of the Incentive Options.
- (c) The Incentive Options were issued on 30 November 2020.

Resolution 4, if passed, will ensure the Company has adequate flexibility to increase the size of the Board or the remuneration of Non-Executive Directors, as and when the business of the Company requires. If Resolution 4 is not passed, the maximum aggregate fees payable to Non-Executive Directors will remain at \$300,000. This may inhibit the ability of the Company to remunerate, attract and retain appropriately skilled independent Non-Executive Directors.

## 7.2 Recommendation

Resolution 4 is an ordinary resolution.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to Resolution 4.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 4.

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## 8. Definitions

**10% Placement Facility** has the meaning given in Section 6.1.

**10% Placement Period** has the meaning given in Section 6.3(f).

**AEDT** means Australian Eastern Daylight Time.

**Annual Report** means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2021.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair or Chairman** means the person appointed to chair the Meeting.

**Company or Cynata** means Cynata Therapeutics Limited ACN 104 037 372.

**Constitution** means the constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means this notice of meeting.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in this Notice.

**Section** means a section contained in this Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**VWAP** means volume weighted average price.



# Proxy Voting Form

If you are attending the virtual Meeting  
please retain this Proxy Voting Form  
for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.30am (AEDT) on Sunday, 14 November 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

## Lodging your Proxy Voting Form:

### Online:

Use your computer or smartphone to appoint a proxy at  
<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

### BY FACSIMILE:

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All enquiries to Automic:

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

