

24 July 2019

Mr James Rowe  
Manager, Listings Compliance (Perth)  
ASX Compliance Pty Ltd  
Level 40 Central Park  
152-158 St George's Terrace  
PERTH WA 6000

Via email:  
[ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au)

Dear James

## RESPONSE TO ASX AWARE QUERY

Cynata Therapeutics Limited (the “**Company**” or “**CYP**”) provides this response to ASX's Aware Query dated 22 July 2019.

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

1. *Does CYP consider any of the following to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*
  - a) *The Proposal.*
  - b) *The Secondary Discussions.*

Yes.

2. *If the answer to any part of question 1 is “no”, please advise the basis for that view.*

Not applicable.

3. *When did CYP first become aware of the Proposal?*

The Proposal was submitted to the Company by way of letter dated 20 June 2019.

4. *With reference to the Proposal, when did CYP begin the Secondary Discussions?*

The Secondary Discussions commenced on or around 22 May 2019.

5. *If CYP first became aware of the Proposal before the time of the Announcement, did CYP make any disclosure prior to the time of the Announcement which disclosed the Proposal?*

No.

*If so, please provide details.*

Not applicable.

*If not, please explain why the Proposal was not released to the market at an earlier time, commenting specifically on when you believe CYP was obliged to release the Proposal under Listing Rules 3.1 and 3.1A and what steps CYP took to ensure that the Proposal was released promptly and without delay.*

The Proposal was not released to the market at an earlier time in reliance on Listing Rule 3.1A. The Proposal was, and is, incomplete, non-binding and conditional. All participants engaged on the Proposal were, and are, subject to strict confidentiality obligations. Prior to releasing the Announcement, the Board formed the view that a reasonable person would not expect the Proposal to be disclosed.

The Company received an ASX Price Query after-market on Tuesday, 16 July 2019. The Company sought and was granted a trading halt pre-open on Wednesday, 17 July 2019 in order to respond to the ASX Price Query.

During discussions with ASX regarding the ASX Price Query, the Company was advised by ASX that ASX had formed the view that the Proposal ceased to be confidential. The Company formed the view that it was obliged to release the Proposal at this time.

Accordingly, the Proposal was promptly released to market via the Announcement prior to commencement of trading at the end of the Company's trading halt.

At the time of receipt of the ASX Price Query, and at the time of making the Announcement, the Company was not aware of any loss of confidentiality in respect of the Proposal.

6. *If CYP first became aware of the Secondary Discussions before the time of the Announcement, did CYP make any disclosure prior to the time of the Announcement which disclosed the Secondary Discussions?*

No.

*If so, please provide details.*

Not applicable.

*If not, please explain why the Secondary Discussions were not released to the market at an earlier time, commenting specifically on when you believe CYP was obliged to release the Secondary Discussions under Listing Rules 3.1 and 3.1A and what steps*

*CYP took to ensure that the Secondary Discussions were released promptly and without delay.*

The Secondary Discussions were not released to the market at an earlier time in reliance on Listing Rule 3.1A. The Secondary Discussions were incomplete, non-binding and conditional. All participants engaged on the Secondary Discussions were, and are, subject to strict confidentiality obligations. Prior to releasing the Announcement, the Board formed the view that a reasonable person would not expect the Secondary Discussions to be disclosed.

During discussions with ASX regarding the ASX Price Query, the Company was advised by ASX that ASX had formed the view that the Secondary Discussions ceased to be confidential. The Company formed the view that it was obliged to release the Secondary Discussions at this time. By this time the Secondary Discussions had ceased.

The Secondary Discussions were promptly released to market via the Announcement prior to commencement of trading at the end of the Company's trading halt.

At the time of receipt of the ASX Price Query, and at the time of making the Announcement, the Company was not aware of any loss of confidentiality in respect of the Secondary Discussions.

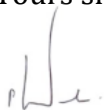
7. *Please confirm that CYP is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

The Company confirms it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

8. *Please confirm that CYP's responses to the questions above have been authorised and approved in accordance with 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.*

I confirm that the Company's responses to the questions 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



**Peter Webse**  
Company Secretary



22 July 2019

Mr Peter Webse  
Company Secretary  
Cynata Therapeutics Limited

By email

Dear Mr Webse

**Cynata Therapeutics Limited ('CYP'): Aware Query**

ASX refers to the following:

- A. The change in the price of CYP's securities from a low of \$1.23 to a high of \$1.60 over the five trading days to 16 July 2019.
- B. The trading halt applied to CYP's securities on ASX on 17 July 2019.
- C. CYP's announcement entitled "Cynata confirms receipt of indicative, non-binding proposal" released on the ASX Market Announcements Platform ('MAP') on 19 July 2019 (the 'Announcement'), disclosing that, amongst other things:
  - (i) CYP has received an indicative, non-binding and conditional proposal from Sumitomo Dainippon Pharma Co., Ltd ('Sumitomo') regarding a possible acquisition of all of the shares in CYP at a price of A\$2.00 per share in cash by way of a scheme of arrangement (the 'Proposal'); and
  - (ii) Following receipt of the Proposal, CYP decided to grant non-exclusive due diligence access to Sumitomo, during which time CYP continued engagement with certain other parties in relation to making a proposal (the 'Secondary Discussions').
- D. CYP's response to ASX's Price Query of 16 July 2019 released on MAP on 19 July 2019, which discloses, amongst other things, the details of the Proposal.
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX 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.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

  - *It would be a breach of a law to disclose the information;*
  - *The information concerns an incomplete proposal or negotiation;*

- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

H. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

*"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."*

#### **Request for Information**

Having regard to the above, ASX asks CYP to respond separately to each of the following questions and requests for information:

1. Does CYP consider any of the following to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
  - a) The Proposal.
  - b) The Secondary Discussions.
2. If the answer to any part of question 1 is "no", please advise the basis for that view.
3. When did CYP first become aware of the Proposal?
4. With reference to the Proposal, when did CYP begin the Secondary Discussions?
5. If CYP first became aware of the Proposal before the time of the Announcement, did CYP make any disclosure prior to the time of the Announcement which disclosed the Proposal? If so, please provide details. If not, please explain why the Proposal was not released to the market at an earlier time, commenting specifically on when you believe CYP was obliged to release the Proposal under Listing Rules 3.1 and 3.1A and what steps CYP took to ensure that the Proposal was released promptly and without delay.
6. If CYP first became aware of the Secondary Discussions before the time of the Announcement, did CYP make any disclosure prior to the time of the Announcement which disclosed the Secondary Discussions? If so, please provide details. If not, please explain why the Secondary Discussions were not released to the market at an earlier time, commenting specifically on when you believe CYP was obliged to release the Secondary Discussions under Listing Rules 3.1 and 3.1A and what steps CYP took to ensure that the Secondary Discussions were released promptly and without delay.
7. Please confirm that CYP is complying with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that CYP's responses to the questions above have been authorised and approved in accordance with 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.

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### 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 **5.00 PM AWST Wednesday, 24 July 2019**.

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 and may require CYP to request a trading halt immediately.

If you wish to request 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 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*.

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](mailto: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

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.

### 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.

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**Enquiries**

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

Yours sincerely

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**James Rowe**  
Manager, Listings Compliance (Perth)