

MINUTES
of the
Extraordinary General Meeting
of
CYTOS BIOTECHNOLOGY LTD

held on Thursday, 16 March 2015, starting at 10 AM at
Cytos Biotechnology Ltd, Wagistrasse 25, 8952 Schlieren / Switzerland

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Welcome

Dr. Christian Itin, Chairman of the Board of Directors, opens the meeting and assumes the chair. On behalf of the Board of Directors and the Executive Board he welcomes the shareholders in attendance to today's Extraordinary General Meeting of Cytos Biotechnology Ltd (hereinafter referred to as "**Cytos Biotechnology Ltd**" or "**Cytos**" or the "**Company**").

Organization of the Meeting

The Chairman makes the following determinations:

- The invitation to the Ordinary General Meeting specified the agenda items and proposals and was made in due time via publication of the invitation in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt) on 19 February 2015. The shareholders listed in the share register were also invited with a letter. The invitation was therefore made on time and in proper form.
- An English summary of the proposals of the Board of Directors prior to each vote was not requested.
- The documents listed in the invitation were made available at the registered office of the Company during the period of time provided for by law and the Articles of Association and could be ordered by shareholders.
- Dr. Matthias Staehelin of VISCHER Ltd is appointed as secretary and vote counter for this general meeting.
- Mr. Andreas G. Keller, Attorney-at-Law, Gehrenholzpark 2g, 8021 Zurich, serves as the Independent Proxy (unabhängiger Stimmrechtsvertreter) within the meaning of Art. 689c Swiss Code of Obligations.
- Mr. Alfred Füllemann from the notary office of the City of Schlieren serves as the notary.
- The agenda items 1 and 2 require a qualified majority of at least two thirds of the represented votes and the absolute majority of the represented nominal share capital.
- In order to expedite the voting process, the Chairman proposes that the votes and elections take place by a show of hands, and that the show of hands need not be counted if the result is obvious. The no votes and abstentions need only be tallied if the results are unclear or close.
- The Chairman notes that shareholders who vote no may request that their names be included in the minutes. They should report to the vote counter.

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- The Chairman explains that the General Meeting may resolve to vote by ballot. The Chairman is also entitled to order voting by ballot.

After no objections were made, the Chairman determines that the General Meeting has been properly organized and has a quorum.

Activities since April 2014

Securing business continuation was the top priority. Christian Itin provides an overview of the key activities since April 2014:

- Closing out of the then ongoing phase 2 clinical study with CYT003
- Obtaining substantial concessions from major creditors
- Reduction of personnel from 36 to 5 employees (status end February 2015)
- Subordination of portion of the convertible loans to prevent over-indebtedness
- Granting of a license to OnCore

Financial Situation

Harry Welten, Chief Financial Officer of Cytos gives an overview over the current financial situation of the company. Cytos has an immense debt burden and there are insufficient financial means for their repayment. Subordinated bonds became due on February 20, 2015 with a total amount repayable of CHF 22.8 million. In addition, convertible loan notes became due on February 10, 2015 with a total amount repayable of CHF 22.2 million. While the liquidity in February amounted to around CHF 16 million. There is no access to fresh capital or new loans. Even the full repayment of the non-subordinated loan notes is impossible. The repayment of the convertible bonds was and remains impossible. Harry Welten then gives an overview of the steps taken:

Step 1:

Conversion of Convertible loan into Shares

- A reduction in the conversion price by more than thirtyfold from CHF 7.71 to CHF 0.25 per share
- Each outstanding bond of CHF 2'500.00 nominal value will be converted into 10'000 Cytos shares
- A success premium of CHF 25.00 will be paid per bond provided that the restructuring of the bond becomes final and binding

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- The creation of 77.5 million shares in addition to the existing 30.5 million shares
- The creditors' assembly agreed to the forced conversion into shares on 26 January 2015 with 84% of the votes
- The court hearing before the Cantonal Supreme Court took place on 6 March 2015
- The publication of the court decision was made on 13 March 2015
- Provided that no objection is filed with the Swiss Federal Supreme Court and subject to the approval by the General Meeting of Shareholders, the conversion into shares can take place in April 2015

Step 2:

Partial Re-Payment of the Convertible Loans

- A reduction of the loans by CHF 2 million by means of exchange with convertible bonds
- Re-payment of the non-subordinated portion of CHF 14.2 million took place on 14 February 2015
- The remaining debt of CHF 6 million remains subordinated

Step 3:

General Meeting of Shareholders for the Creation of Shares for the Conversion

- A qualified majority of the votes represented is necessary for the ordinary capital increase because the preliminary subscription rights have to be excluded in favor of the bond holders
- Conversion of the bonds into shares is foreseen for April 2015 – after receipt of the final court ruling that the conversion is legally binding
- Payment of the incentive premium of around CHF 200'000 to the bond holders

Step 4:

Search for a suitable Acquisition Target for the Purpose of Revitalizing Cytos with intact Projects

Shareholders ask questions with respect to development, employees, loans and conversion of the bonds. Christian Itin answers that the Chief Scientific Officer as well as the Head of Manufacturing are still with the Company and are taking care of the partnerships but that laboratory experiments were discontinued for cost

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reasons. All 31 employees who were let go have found a new position. The negotiations with the creditors of the loan notes are ongoing.

Attendance

Next, the vote counter, Matthias Staehelin, announces attendance as follows:

According to the attendance list:

- 4'757'980 registered shares at CHF 0.10 are represented in total, whereof
- 559'145 registered shares at CHF 0.10 by 52 Shareholders attending the meeting, and
- 4'198'835 registered shares at CHF 0.10 by the Independent Proxy.

The vote counter states that a qualified majority is necessary for agenda items 1 and 2 is 3'171'987 votes.

Then, the Chairman proceeds to address the agenda items.

Agenda Item 1:

Ordinary Capital Increase combined with Reduction of Nominal Value

The Board of Directors proposes the following ordinary capital increase combined with reduction of nominal value:

- a. The share capital of the company shall be reduced from CHF 3'052'527.60 to CHF 915'758.28 by decreasing the nominal value of currently CHF 0.10 to CHF 0.03 whereby the decreased amount of CHF 2'136'769.32 shall be credited to the reserves of capital contribution; at the same time the share capital shall be increased from CHF 915'758.28 by CHF 2'324'700.-- to CHF 3'240'458.28 by the issuance of 77'490'000 registered shares of CHF 0.03 nominal value each to be fully paid-up.
- b. The subscription price shall be CHF 0.25 per share payable by compensation.
- c. The pre-emptive rights of the shareholders are excluded and shall be allocated to the creditors of the outstanding convertible bond (Swiss Security Number 2.906.073) with an outstanding amount of CHF 19'372'500.00.
- d. The new shares are entitled to dividends as of the business year 2015.

- e. Any applicable stamp duty shall be paid by the Company. The new shares are subject to the transfer restrictions as outlined in Article 5 of the Articles of Association.

This capital de- and increase shall be implemented within three months.

The capital decrease is not quite as high as indicated in the Invitation: It is implemented with a new nominal value of CHF 0.03 per share instead of the foreseen CHF 0.01. The resulting nominal share capital of around CHF 3.2 million is slightly higher than now. This amendment has no impact on the number of shares or on the share price; only the sub-allocation within the equity capital results in slightly different numbers.

After resolution by a show of hands (without counting the exact number of votes) the vote counter reports that shareholders have approved the above proposal of the Board of Directors with respect to agenda item 1 (one) with a clear majority of votes cast and with the required quorum of 2/3 (two thirds) of the votes represented.

Traktandum 2:

Amendment of Conditional and Authorized Capital

The Board of Directors proposes to replace the current Articles 4a to 4i of the Articles of Association (conditional and authorized share capital) with the exception of Article 4g, summarizing all outstanding warrants of the transactions conducted in 2012 and the outstanding employee participation options.

It is further proposed to the shareholders that the outstanding employee options are summarized in one article and increased to 11'000'000 shares. Article 4g (authorized share capital) shall be increased to the maximum amount permissible by law of 54'007'638 shares. The amendment shall become effective at registration in the register of commerce of the capital increase as per above agenda item 1 "Ordinary Capital Increase combined with Reduction of Nominal Value".

The new Articles 4a and 4b replacing all current conditional and authorized capitals except Article 4g and the revised Article 4g para 1 shall read – with the amended nominal value of CHF 0.03 – as follows:

Article 4a

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- Conditional share capital 2012 transactions
- 1 The share capital may be increased by the maximum amount of CHF 391'515.96 by issuing up to 13'050'532 fully paid up registered shares with a nominal value of CHF 0.03 each. The issue of registered shares by exercising conversion and/or option rights and any other transfer of shares is subject to the transfer restrictions pursuant to Article 5 of the Articles of Association.
 - 2 Up to 350,000 registered shares will be issued upon exercise of option rights that were given to an investor pursuant to the Option Agreement dated March 20, 2012 as compensation for its expenses in connection with the placement of the majority of the shares issued as part of the capital increase resolved for at the General Meeting dated April 20, 2012. The options may be exercised until May 14, 2017 at an exercise price (subject to any adjustments within the scope of anti-dilution protection pursuant to the Option Agreement) of CHF 2.13 (hereinafter referred to as the "2012 OPTIONS").
 - 3 Up to 12'700'532 registered shares will be issued upon exercise of "2012 WARRANTS". The 2012 WARRANTS are warrants that are issued pursuant to the Warrant Agreement dated March 20, 2012 and that entitle each warrant holder to subscribe to a new registered share of the Company. These warrants may be exercised until May 14, 2016 at an exercise price (subject to any adjustments within the scope of anti-dilution protection pursuant to the Warrant Agreement) of CHF 2.13 per warrant (hereinafter referred to as the "2012 WARRANTS").
 - 4 The Board of Directors shall determine the issue conditions for the 2012 OPTIONS and 2012 WARRANTS (provided that such is not already stipulated out in paragraphs 2 and 3 of the present Article 4a). The subscription rights of shareholders with regard to the shares that are issued in connection with the exercise of the 2012 WARRANTS or the 2012 WARRANTS are excluded. The shareholders neither have a right to subscribe to the 2012 OPTIONS nor to the 2012 WARRANTS.

Article 4b

- Conditional capital for employees, persons of comparable positions and Board members
- 1 The share capital of the Company increases in the nominal value of up to CHF 330'000 by issuance of up to 11'000'000 fully paid-in registered Shares with a nominal value of CHF 0.01 per share, subject to the exercise of options granted by the Company to employees of the Company or its subsidiaries, persons of a comparable position and Board members.
 - 2 The pre-emptive rights of the shareholders shall be excluded. The conditions of the grant of the options, as the amount of the issue of the shares, the time of the entitlement for dividends as well as

the kind of contribution, shall be determined by the Board of Directors in the form of special rules (Stock Option Plans).

- 3 The further transfer of the registered Shares acquired by the exercise of the options rights under this article shall be subject to the restrictions of Article 5 of these Articles of Association.

[Article 4g, para 1]:

- 1 The Board of Directors is authorized, at any time until March 12, 2017 to increase the share capital by a maximum of CHF 1'620'229.14 through the issuance of a maximum of 54'007'638 registered shares, to be fully paid up, with a nominal value of CHF 0.03 per share. Increases by underwriting as well as partial increases are permissible. The issue price, the time of dividend entitlement, and the type of contribution will be determined by the Board of Directors. Upon acquisition, the new shares will be subject to the transfer restrictions pursuant to Art. 5 of the Articles of Association.

After resolution by a show of hands (without counting the exact number of votes) the vote counter reports that shareholders have approved the above proposal of the Board of Directors with respect to agenda item 2 (two) with a clear majority of votes cast and with the required quorum of 2/3 (two thirds) of the votes represented.

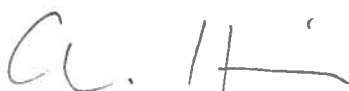
Closing Remarks, Questions

The Chairman states that all agenda items had been addressed, thanks the shareholders for the trust placed in Cytos and asks whether anyone would like to have the floor.

After no one requests to have the floor, the Chairman declares the general meeting closed at 11.25 AM and invites the attendees to have refreshments in the adjoining room.

Schlieren, 16 March 2015

The Chairman:



Dr. Christian Itin

The Secretary:



Dr. Matthias Staehelin