



Living Cell Technologies Limited

ACN: 104 028 042

ASX: LCT

OTCQB: LVCLY

ASX ANNOUNCEMENT

December Quarterly Activities Report and Appendix 4C Cash Flow Statement

Sydney, Australia & Auckland, New Zealand – 27 January 2023 – Living Cell Technologies (ASX: LCT) (OTCQB: LVCLY) (“LCT” or “the Company”) is pleased to provide its quarterly activities report and appendix 4C for the period ended 31 December 2022.

Following the board changes announced 31 October 2022, the Company has promptly delivered numerous forward cost savings for shareholders. These efficiency measures include the cessation of the OptiCellAI agreement, the cancellation of various consultancy agreements and other administrative efficiencies, such as lesser aggregate board fees. More than A\$600,000 in expenses have been removed from LCT’s 12-month forward cost estimate without materially affecting the advancement of the NTCELL clinical trial program.

Importantly, freed-up capital has reasonably permitted the Company to actively commence evaluation of additional opportunities which complement its mission and capabilities. New project assessments are consistent with the strategy of the board to increase R&D activity on additional programs, diversifying the Company’s project pipeline.

NTCELL

During the quarter, the Company continued to progress its third clinical trial to assess NTCELL in people with Parkinson’s disease in collaboration with Nzeno, a New Zealand-based biotech company that supports xenotransplantation. Nzeno breeds and maintains a unique herd of designated pathogen-free pigs from Auckland Island that are harvested for tissues compatible for human transplantation.

The focus of LCT continues to be optimisation of the NTCELL manufacturing process, using choroid plexus tissue harvested by Nzeno. LCT employs a sophisticated protocol, developed during the first two clinical trials, to manufacture NTCELL. Once production of NTCELL has been optimised, it will be manufactured at scale at a Good Manufacturing Practice (GMP) facility for use in the Company’s third clinical trial of NTCELL. The board is considering a range of initiatives to expand and improve upon the NTCELL R&D program.

Parkinson's disease is the second most common neurodegenerative disorder after Alzheimer's disease, affecting approximately 7 million people worldwide. Globally, the Parkinson's disease market is projected to reach US\$11.5 billion by 2029, up from US\$5.7 billion in 2022. There is currently no treatment available to prevent the progression of the disease.

Corporate Activities

On October 31, 2022, LCT announced the resignations of Professor Bernie Tuch, Mr Robert Willcocks and Dr Andrew Kelly as directors of the Company and the appointment of Mr David Hainsworth and Mr Bradley Dilkes to the board.

The three outgoing directors decided to resign in advance of resolutions for their removal being put to the Company's Annual General meeting on 10 November 2022 when it appeared that such resolutions would pass.

At 31 December, 2022, LCT held A\$3.085M in cash at bank. A\$0.659M was recorded as cash outflows associated with operating activities.

During the current March 2023 quarter, the Company expects to receive a cash tax credit related to the R&D tax incentive (RDTI) and R&D loss tax credit (RDLTC) schemes operated by the New Zealand Inland Revenue Department. The RDTI tax credit amounts to 15% and the RDLTC tax credit amounts to 28% of eligible R&D expenditures within New Zealand.

Authorised for release by the Board of Living Cell Technologies Limited.

Ends

For further information: www.lctglobal.com

Corporate and Media Enquiries

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About NTCELL

NTCELL is an alginate coated capsule containing clusters of neonatal porcine choroid plexus cells that are sourced from a unique herd of designated pathogen-free pigs bred from stock originally discovered in the remote sub-Antarctic Auckland Islands. Choroid plexus cells are naturally occurring 'support' cells for the brain and secrete cerebrospinal fluid (CSF), which contains a range of factors that support nerve cell functions and protective enzymes that are crucial for nerve growth and healthy functioning. In NTCELL, the porcine choroid plexus cells are coated with alginate to protect them from attack by the immune system. Therefore, no immunosuppressive regimen needs to be administered to recipients.

About Living Cell Technologies

Living Cell Technologies Limited is a biotechnology company focused on discovering and developing novel treatments for debilitating conditions such as diabetes and Parkinson's disease. The Company is incorporated in Australia, with its operations based in Australia and New Zealand. LCT is listed on Australian (ASX: LCT) and US (OTCQB: LVCLY) stock exchanges.

For more information visit www.lctglobal.com or follow @lctglobal on Twitter, Facebook or LinkedIn.

Forward-looking statements

This document may contain certain forward-looking statements, relating to LCT's business, which can be identified by the use of forward-looking terminology such as "promising," "probable", "plans," "anticipated," "will," "project," "believe," "forecast," "expected," "estimated," "targeting," "aiming," "set to," "potential," "seeking to," "goal," "could provide," "intends," "is being developed," "could be," "on track," or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other health authorities' requirements regarding any one or more product candidates, nor can there be any assurance that such product candidates will be approved by any health authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialisation of the product candidates could be affected by, among other things, unexpected clinical trial results, including additional analysis of existing clinical data, and new clinical data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, product candidates, financial results and business prospects. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, or expected. LCT is providing this information and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Living Cell Technologies Limited

ABN

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Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A	Year to date (6 months) \$A
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(512,559)	(778,371)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(8,640)	(22,224)
	(d) leased assets	-	-
	(e) staff costs	(26,667)	(81,667)
	(f) administration and corporate costs	(117,088)	(279,069)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5,506	8,832
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(659,448)	(1,152,499)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-

Consolidated statement of cash flows		Current quarter \$A	Year to date (6 months) \$A
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$A	Year to date (6 months) \$A
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,739,741	4,238,857
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(659,448)	(1,152,499)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	5,365	(700)
4.6	Cash and cash equivalents at end of period	3,085,658	3,085,658

5. Reconciliation of cash and cash equivalents	Current quarter \$A	Previous quarter \$A
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	1,079,402	736,098
5.2 Call deposits	2,006,256	3,003,643
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,085,658	3,739,741

6. Payments to related parties of the entity and their associates	Current quarter \$A
6.1 Aggregate amount of payments to related parties and their associates included in item 1	26,667
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

7. Financing facilities	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	
7.2	Credit standby arrangements	
7.3	Other (please specify)	
7.4	Total financing facilities	
7.5	Unused financing facilities available at quarter end	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A	
8.1	Net cash from / (used in) operating activities (item 1.9)	(659,448)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,085,658
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,085,658
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.7
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 January 2023.....

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.