



Living Cell Technologies Limited

ACN: 104 028 042

ASX: LCT

OTCQB: LVCLY

ASX ANNOUNCEMENT

Appendix 4C Quarterly Activities report for the quarter ended 30 September 2022

September Quarter Highlights

- **Choroid plexus tissue successfully shipped to Sydney, Australia from NZeno's Invercargill facility following import approval**
- **LCT and OptiCellAI complete first stage of advancing use of artificial intelligence in planned manufacturing of NTCELL in Australia**
- **LCT ends the quarter in a solid cash position, with bank balance of A\$3.7 million.**

Sydney, Australia & Auckland, New Zealand – 28 October 2022 – Living Cell Technologies (ASX: LCT; OTCQB:LVCLY) announced today its Activity and Cashflow (Appendix 4C) Report for the quarter ended 30 September 2022, highlighted by the successful shipment of choroid plexus tissue to Sydney as the Company advances its third clinical trial of NTCELL in Parkinson's disease. (Appendix 4C follows).

NTCELL

LCT's third clinical trial of NTCELL in Parkinson's disease made further advances during the quarter as the Company progresses this potentially groundbreaking research for the benefit of millions worldwide.

A new milestone in NTCELL's development was announced on 16 August, with choroid plexus tissue successfully shipped from New Zealand to Australia as part of the third clinical trial of NTCELL.

The choroid plexus (porcine brain) tissue was provided by New Zealand biotech NZeno from its designated pathogen-free facility in Invercargill. Following receipt of an import permit from the Australian Government's Department of Agriculture, Fisheries and Forestry, the tissue was shipped to Australia and transported to research partner, University of Technology Sydney (UTS) in preparation for the manufacturing of NTCELL.

LCT's Research Agreement with UTS and the Australian Foundation for Diabetes Research (refer ASX release 30 March 2022) enables the production of NTCELL in Australia, which would be a new milestone for this project.

Once production of NTCELL has been optimised, it will be manufactured at a Good Manufacturing Practice (GMP) facility for use in the Company's third clinical trial of NTCELL in Parkinson's disease.

On 16 September, LCT announced another important step for NTCELL, with the completion of stage one of the planned use of artificial intelligence (AI) in NTCELL's manufacture.

Under the agreement with Sydney-based OptiCellAI (refer ASX announcement 23 May 2022), the two companies are working to ensure that the NTCELL being manufactured in Sydney for the Company's third clinical trial of NTCELL in Parkinson's disease is of the highest possible quality.

AI is being used to optimise and select high quality encapsulated cells (NTCELL) for implantation into the brains of people with Parkinson's disease.

Under the agreement with OptiCellAI, the first stage comprises the finalisation of the necessary hardware, software and testing specifications, together with creating the final design. This stage has been completed, with OptiCellAI now progressing to the second stage of assembling the necessary software and providing a prototype to LCT for trials.

Ultimately, the research is expected to result in the development of two prototype machines, together with trained AI for NTCELL optimisation and selection requirements and a final production machine.

The first trial participants are expected to receive treatment in 2024.

More than 10 million people worldwide are living with Parkinson's disease, including around 100,000 Australians, with the disease costing the Australian community an estimated \$10 billion per year. 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

LCT has announced its Annual General Meeting (AGM) of shareholders will be held from 2pm AEDT on Thursday, 10 November 2022, both in person and online.

Further information regarding the AGM is available in the Chairman's Letter to Shareholders released on 12 October 2022 and the Notice of Meeting dated 30 September 2022.

The Company's Annual Report to shareholders was released to the ASX on 30 September 2022 and is also available via LCT's website.

Financial update

The Company ended the September quarter with a cash balance of \$3,739,741 compared to \$4,238,857 at the end of the previous quarter. Net operating cash flow in the quarter was (\$493,051), compared to the previous quarter's (\$504,358). Receipts from grants and tax incentives were zero, as per the previous quarter.

This quarter's operating payments were \$496,377 compared to the last quarter at \$541,166. Payments during the quarter included payments to NZeno \$74,413 and OptiCellAI \$60,000 and BDO of \$60,528 for Audit fees and annual listing fees of \$25,561.

Note that the amount stated in 6.1 of Appendix 4C is for the directors' fees paid to directors and their associated entities.

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

– Ends –

For further information: www.lctglobal.com

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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 (ASX:LCT) is an Australasian biotechnology company that is focused on discovering and developing novel treatments for debilitating conditions such as diabetes and Parkinson's disease.

LCT is listed on the Australian (ASX:LCT) and US (OTCQB:LVCLY) stock exchanges. The Company is incorporated in Australia, with its operations based in Australia and New Zealand.

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

References to previous ASX releases

- 30 March – LCT signs research agreement with UTS
- 23 May – Artificial intelligence to advance NTCELL production
- 28 July – Change of Director's Interest Notice – B Tuch and A Kelly
- 16 August – Choroid plexus tissue shipped to Sydney
- 9 September – Change of Director's Interest Notice – R Willcocks
- 14 September – Receipt of Section 249D Notice
- 16 September – New milestone for LCT's AI development
- 30 September – Annual Report to shareholders
- 30 September – 2022 Annual General Meeting and proxy form
- 12 October – Chairman's letter to shareholders

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")

30 September 2022

Consolidated statement of cash flows		Current quarter \$A	Year to date (3 months) \$A
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(265,812)	(265,812)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(13,584)	(13,584)
	(d) leased assets	-	-
	(e) staff costs	(55,000)	(55,000)
	(f) administration and corporate costs	(161,981)	(161,981)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3,326	3,326
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	(493,051)	(493,051)
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 (3 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 (3 months) \$A
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,238,857	4,238,857
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(493,051)	(493,051)
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	(6,065)	(6,065)
4.6	Cash and cash equivalents at end of period	3,739,741	3,739,741

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	736,098	1,238,095
5.2 Call deposits	3,003,643	3,000,762
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)	3,739,741	4,238,857

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	55,000
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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)	(493,051)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,739,741
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,739,741
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.6
<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: 28 October 2022

Authorised by: By the Board of Living Cell Technologies Limited.
(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.