

Target Market Determination – Option Issue

Made by: Living Cell Technologies Ltd ACN 104 028 042 (**Company**)

Product: Unlisted free-attaching options (**Options**) issued in connection with a non-renounceable entitlement offer and a shortfall offer under a transaction specific prospectus dated 20 March 2023 (**Prospectus**)

Effective Date: 20 March 2023

1. Background

This target market determination (**TMD**) has been prepared by the Company in relation to offers to issue Options made by the Company under the Prospectus pursuant to section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**) and has been designed to help investors understand who the offers Options are most suitable for.

This TMD sets out the class of consumers for which the Options would likely be consistent with their financial objectives, the distribution conditions and restrictions imposed on the distribution of the Options as well as reporting requirements for distributors in accordance with the requirements of section 994B of the Corporations Act.

A copy of the Prospectus is available on the Company's website, <https://lctglobal.com/>. The offers will be made under, or accompanied by, a copy of the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional adviser if they have any questions regarding the contents of the Prospectus.

This TMD is not a disclosure document for the purposes of the Corporations Act, and does not provide a full summary of the product features or terms of the Options and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**). This TMD is not to be used except for the purpose of a regulated person complying with their obligations under Part 7.8A of the Corporations Act. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. This TMD is not intended to provide you with financial advice or take into account your objectives, financial situations or needs. It is important for you to consider these matters and read the Prospectus before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the Options.

Unless otherwise defined in this TMD, capitalised terms have the meaning given to them in the Prospectus.

2. Product information

The key features of the Options are as follows:

Offers	Each eligible shareholder is entitled to apply for one (1) free-attaching Option for every two (2) new fully paid ordinary shares applied for under the non-renounceable entitlement offer announced on 1 March 2023 (Entitlement Offer). Eligible shareholders may also apply for the new shares not applied for under the Entitlement Offer, on the same basis as the Entitlement Offer (Shortfall Offer).
Eligibility	Only existing shareholders of the Company: <ul style="list-style-type: none">• who participate in the Entitlement Offer;• who are a registered holder of Shares as at 7:00pm (AEST) on 24 March 2023 (being the Record Date);• whose registered address was in Australia or New Zealand;• who is not in the United States nor acting for the account or benefit of a person in the United States or elsewhere outside Australia and New Zealand; and• who does not hold Shares on behalf of another person who resides outside Australia or New Zealand (unless they hold Shares in an eligible capacity), are entitled to participate in the Offers.
Exercise price	The exercise price of the Options will be \$0.012.
Expiry date	The Options will expire at 5:00pm (AEST) on 31 March 2026 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse at that time.
Exercise period	The Options are exercisable at any time from the date of issue until 5:00pm (AEST) on the Expiry Date.
Shares issued on exercise	Shares issued on exercise of the Options will rank equally with the Shares on issue as at the date of the Prospectus.
Transferability	The Options are only transferable up until they lapse, with the Company's prior written consent.

3. Target market

The objectives, financial situation and needs of investors which are suitable for investment in the Options and an explanation of why those particular financial circumstances are suitable are provided below:

Investment Objective	As the Options may be exercised at any time prior to the Expiry Date, which will be no later than 31 March 2026, the Company expects that an investment in the Options will be suitable to investors who wish to have the right, but not obligation, in the short to medium term to acquire the Company's shares.
Investment Timeframe	The target market of investors will take a short to medium term outlook in relation to their investment in the Company, and are in a financial position that is sufficient for them to invest their funds over a time period should they wish to exercise their Options.
Investment Metrics	While the Company does not have an established eligibility framework for investors based on metrics such as employment status, income levels, age, expected return or volatility, it is expected that the target market of investors will be those investors that wish to obtain optionality for exposure to the Company's

	ongoing operations. The Options offer no guaranteed income or capital protection.
Risks	<p>The Company considers that an investment in the Options will have a different risk profile to a direct upfront investment in Shares, including due to the fact that there is no obligation to exercise the Options prior to the Expiry Date.</p> <p>Investors should also have a sufficient level of financial literacy to understand and appreciate the risks of investing in options as an asset class generally and the more specific risks of investing in the Company.</p>

The Options are not suitable for investors:

- (a) who are not seeking to have the potential to increase their investment in the Company; and
- (b) who do not understand and appreciate the risks of investing in options as an asset class generally and the more specific risks of investing in the Company.

The Company has assessed the Options and formed the view that the Options, including the key attributes set out in section 2, are likely to be consistent with the objectives, financial situation and needs of investors in the target market as described above in this section 3.

4. Distribution conditions

The Options will also be subject to the distribution condition that retail investors will be provided with a copy of the Prospectus and access to this TMD before they apply for the Options.

For an investment in the Options by investors, the application form which accompanies the Prospectus will require retail investors to confirm that they meet the eligibility criteria of the expected target market outlined in this TMD.

The Company considers that these distribution conditions will ensure that persons who invest in Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.

5. Review triggers

The Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the Options will no longer be available for investment. It follows that the TMD will only apply in the period between the commencement of the offer of the Options under the Prospectus and the issue of the Shares shortly after the close of the Offers (**Offer Period**), after which the TMD will be withdrawn.

To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate and that distribution of the Options should cease, the following review triggers will apply for the Offer Period:

- (a) there is a material change to the Options' key attributes that make it no longer consistent with the likely objectives, financial situation and needs of clients in the target market;
- (b) the Company lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;
- (c) the occurrence of a significant dealing in Options that is not consistent with this TMD;
- (d) the Company identifies a substantial divergence in how the Options are being distributed and purchased from this TMD;
- (e) an unexpectedly high number of complaints are received from customers that indicate the Options are not suitable for the target market or the product is not being distributed to the target market; and
- (f) material changes to the regulatory environment that applies to an investment in the Options.

The Company may also amend this TMD at any time.

6. Review

If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger as soon as reasonably practicable and, in any case, within 10 business days of the review trigger occurring.

Periodic reviews of the TMD will not occur during the Offer Period, noting that the Offer Period is (subject to any decision to extend) around one month. If the Offer Period is extended for more than one month, the TMD will be reviewed on a monthly basis.

7. Reporting requirements

The Company has appointed a distributor of the Options, the distributor will consider any of the following matters:

- (a) complaints received by the distributor in relation to the Options;
- (b) significant dealings in the Options which are inconsistent with this TMD; and
- (c) any dealings outside the target market (to the extent that the distributor is aware of such dealings).

Where relevant, the distributor will consider any of the above matters and determine appropriate steps that will be taken including, where appropriate, reporting of matters to ASIC.

8. Authorisation

This TMD has been authorised for release by the Board of Directors of Living Cell Technologies Ltd.