



Living Cell Technologies Limited

ACN: 104 028 042
ASX: LCT
OTCQB: LVCLY

ASX ANNOUNCEMENT

Half yearly report ended 31 December 2021

Sydney, Australia & Auckland, New Zealand, 25 February 2022 – Living Cell Technologies Limited today announced the half yearly report for the six months ended 31 December 2021. The report is attached.

The half-year saw further advances concerning the company's plans for a third clinical trial of NTCELL in Parkinson's disease, a disease affecting more than 10 million people worldwide.

Highlights included:

- * Successful fund-raising with \$3.5 million secured (before costs) in placement to sophisticated investors, with the funds enabling the commencement of plans for a third clinical trial of NTCELL.
- * MOU signed with NZeno, under which the New Zealand biotech will breed and maintain designated pathogen-free pigs from New Zealand's Auckland Islands to provide tissue for the third clinical trial of NTCELL.
- * Appointment of experienced health and medical researcher, Dr Belinda Di Bartolo as Chief Operating Officer, focused on leading the planning and preparations for the third clinical trial of NTCELL.

Concerning the company's financial position, the consolidated loss after tax for the half year amounted to \$734,003 (2020 loss: \$643,439).

Administration expenses were in line with the previous year, with the company's expenditure focused on advancing NTCELL. Research and development costs were also comparable with the previous half-year. Net cash outflow from operating activities decreased from \$625,439 in the previous period to \$597,556, as the company focused on raising funds to progress the NTCELL trial.

The net assets of the consolidated group increased by \$2,700,969 from \$1,377,116 at 30 June 2021 to \$4,078,085 as at 31 December 2021. This reflected the successful fund-raising from the placement, converting notes and rights issue.

As at 31 December 2021, the consolidated entity had \$4,411,451 cash in the bank, compared to \$1,568,928 at 30 June 2021.

Living Cell Technologies continues to advance its mission of improving the wellbeing of people with serious diseases by discovering, developing, and commercialising novel treatments for debilitating conditions such as Parkinson's disease.

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

– Ends –

For further information: www.lctglobal.com

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About Living Cell Technologies

Living Cell Technologies Limited (ASX:LCT) is an Australasian biotechnology company that has focused on discovering and developing novel treatments for debilitating conditions such as diabetes and Parkinson's disease. LCT has secured initial funding for a third clinical with NTCELL (alginate coated capsule containing clusters of neonatal porcine choroid plexus cells) after completing Phase IIa and IIb clinical studies in Parkinson's disease. In a Phase IIb trial of NTCELL, there was not a statistically significant difference between the groups who received NTCELL and the placebo group at the 26-week study endpoint. However, at 24 months post-implant a clinically relevant effect was observed (<-6.45 points from baseline) in two of the three treatment groups. In the third clinical trial LCT will seek to alter the rate of disease progression in early-to-mid stage Parkinson's disease.

LCT has out-licensed DIABECCELL (alginate coated capsule containing neonatal porcine pancreatic cells) to Diatranz Otsuka Limited to continue the development of a cell therapy for type 1 diabetes in return for a royalty arrangement. LCT continues to seek new product project opportunities and also interactions that leverage its financial assets.

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.

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

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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 4D

Results for announcement to the market

Name of Entity	Living Cell Technologies Limited
ABN	14 104 028 042
Financial Period Ended	31 DECEMBER 2021
Previous Corresponding Reporting Period	31 DECEMBER 2020

	\$ 31 Dec 2021	\$ 31 Dec 2020	\$ Change	Percentage increase /(decrease) over the previous corresponding
Revenue from ordinary activities	534	119,785	(119,251)	(100) %
Profit / (loss) from ordinary activities after tax attributable to members	(734,003)	(643,439)	(90,564)	(14.08) %
Net profit / (loss) for the period attributable to members	(734,003)	(643,439)	(90,564)	(14.08) %

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Interim Dividend	Nil	Nil
Previous corresponding period	Nil	Nil

The record date for determining entitlements to the dividends (if any)	N/A
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A brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to Attachment 1.

The half-yearly report is to be read in conjunction with the most recent annual financial report.

NTA Backing

	Current period	Previous corresponding period Cents
Net tangible assets backing per ordinary security	0.6 cents per share	0.2 cents per share

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	

Details of Associates and Joint Venture Entities


Name of Entity	Percentage Held		Share of Net Profit	
	Current period	Previous period	Current period	Previous Period
Aggregate Share of Net Profits				

Audit / Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: N/A			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	ASX Announcement
2	Consolidated Interim Financial Statements for the 6 months to 31 December 2021

Signed By (Company Secretary)	
Print Name	Mark Licciardo
Date	25 February 2022

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Living Cell Technologies Limited

Consolidated Financial Report
31 December 2021

Living Cell Technologies Limited

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Living Cell Technologies Limited

Directors' Report

31 December 2021

The directors present their report, together with the financial statements, on the consolidated entity consisting of Living Cell Technologies Limited (LCT) and its controlled entities for the financial half year ended 31 December 2021.

1. General Information Directors

The names of the directors in office at any time during, or since the end of the half year are:

Name

Bernard Tuch	appointed 19 th July 2011 and appointed (Interim Chairman) 31 st August 2018. On the 16 th July 2021 appointed Interim CEO, on the 11 th November appointed Chairman.
Robert Willcocks	appointed 29 th March 2011 and re-elected on 7 th November 2019.
Ken Taylor	appointed 31 August 2018 and re-elected 7 th November 2019. Retired 16 July 2021
Carolyn Sue	appointed on the 16 th May 2019 and re-elected 11 th November 2021.
Andrew Kelly	appointed on 7 th November 2019.

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial half year ended 31 December 2021:

Mark Licciardo

2. Business Review

(a) Operating results

The consolidated comprehensive loss after tax for the half year amounted to \$728,265 (2020 loss: \$599,913).

Research and development expenditure compares with last year and remains low while we continue to develop the third trial in NTCELL Parkinson's. Shareholders cost reflects the cost associated with the increased activity during the fundraising activities. All other expenses are in line with last year.

Living Cell Technologies Limited

Directors' Report

31 December 2021

(b) Review of operations

Living Cell Technologies' mission is to improve the wellbeing of people with serious diseases by discovering, developing, and commercialising novel treatments for debilitating conditions such as Parkinson's disease and diabetes.

3. Financial Review

(a) Financial position

The net assets of the consolidated entity have increased by \$2,700,969 from \$1,377,116 at 30 June 2021 to \$4,078,085 as at 31 December 2021. The net asset increase reflects the funds raised during the placement and the conversion of converting notes and right issue of shares.

(b) Cash from operations, investing and financing

Net cash outflow from operating activities decreased from \$625,640 in the previous period 31 December 2020 to \$597,556 due to the company concentrating on raising funds to progress the NTCELL third trial.

(c) Liquidity and funding

This interim financial report has been prepared on a Going Concern basis. The consolidated entity incurred a loss after tax attributable to members of \$(734,003) (2020: \$643,439) and incurred negative cash flows from operations of \$(597,556) (2020: \$625,640).

As at 31 December 2021 the consolidated group had \$4,411,451 cash in the bank, compared to \$1,568,928 at 30 June 2021. The directors acknowledge that the expenditure in relation to operating activities is predominately discretionary. Operating cash outflow is being managed by the directors to the extent of funding available.

The directors have prepared the report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

On 19th October 2021, the Company secured funding for the commencement of a third clinical trial of NTCELL in Parkinson's disease, advancing the Company's efforts in this important research. The third trial aims to determine if NTCELL provides neuroprotection to halt or delay the natural progression of Parkinson's disease. The funding was secured via a placement to sophisticated investors of 142,410,245 new shares and 269,354,460 mandatorily converting notes. The issues were at \$0.0085 for each new share and note, raising a total of \$3.5 million before costs. These were converted to ordinary shares after the 29 November 2021 General Meeting. The Company also announced a renounceable rights issue of new shares and options to eligible shareholders, on the same terms as the placement. The renounceable rights issue was subsequently repriced, with the Company issuing new shares at \$0.008 per share and one third of a new option, instead of at \$0.0085. On 9 December 2021, LCT extended the closing date for the renounceable rights issue by one week, to 21 December 2021. The rights issue raised a total of \$361,264 from the issue of 45,158,037 new shares before costs, with the possibility of further funds being obtained

Living Cell Technologies Limited

Directors' Report

31 December 2021

by the placement of shortfall securities within three months of the expiry of the rights issue. On 13 December 2021, the Company announced it would issue 147,480,853 options pro rata to eligible shareholders in the placement. All options convert into LCT shares at \$0.015 and expire on 19 April 2024.

Management continually prepares rolling cash flow projections that supports the ability of the consolidated entity to continue as a going concern subject to the events described above. However, many external and internal factors may impact future cash flows particularly within the current market and the uncertainty of the impact of COVID 19.

The Directors have a history of raising capital as required to support their research projects.

4. Other Items

(a) Significant events

Significant events for the half year ended 31 December 2021 comprised the following:

i. 16 July 2021

Interim CEO appointed

The Board of Living Cell Technologies appointed Chair, Professor Bernie Tuch as Interim CEO, following the retirement of Dr Ken Taylor on 16 July 2021.

ii. 19 October 2021

LCT secures funding for third trial of NTCELL in Parkinson's disease

LCT secured \$3.5 million in funding via a placement to sophisticated investors of 142.4 million new shares and 269.4 million converting notes, with the issues conducted at \$0.0085 for each new share and note. The funding enabled the company to commence plans for a third clinical trial of NTCELL in Parkinson's disease.

iii. 26 October 2021

LCT signs MOU with NZeno, secures pig cells for NTCELL trial

LCT signed a non-binding Memorandum of Understanding (MOU) with New Zealand biotech NZeno, under which NZeno will breed and maintain pigs to provide tissue for the third clinical trial of NTCELL in Parkinson's disease.

NZeno maintains the only herd derived from designated pathogen-free (DPF) pigs found on New Zealand's sub-Antarctic Auckland Islands. Pigs from this herd provided the choroid plexus tissue for the previous clinical trials of NTCELL. A Service Agreement with NZeno was signed on 24 January 2022.

iv. 13 December 2021

LCT appoints COO to establish NTCELL trial

Dr Belinda Di Bartolo was appointed Chief Operating Officer, with a focus on leading the planning and preparations for the company's third clinical trial of NTCELL in Parkinson's disease.

Living Cell Technologies Limited

Directors' Report

31 December 2021

Dr Di Bartolo has 18 years' experience in health and medical research, including previously serving as a research fellow at the University of Sydney's Kolling Institute and other research roles at SAHMRI, The Heart Research Institute and the University of New South Wales. She has a Bachelor of Medical Science (Hons) and a PhD from the University of Sydney.

(b) Auditors Independence Declaration

The lead auditor's independence declaration as required under section 307c of the Corporations Act 2001 for the half year ended 31 December 2021 has been received and can be found on page 5 of the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors, and is signed for and on behalf of the directors;

Dated at Auckland on the 25th day of February 2022



Director:
Bernard Tuch (Executive Chairman)

DECLARATION OF INDEPENDENCE BY JOHN BRESOLIN TO THE DIRECTORS OF LIVING CELL TECHNOLOGIES LIMITED

As lead auditor of Living Cell Technologies Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Living Cell Technologies Limited and the entities it controlled during the period.



John Bresolin
Director

BDO Audit Pty Ltd

Sydney, 25 February 2022

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Living Cell Technologies Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year to 31 December 2021

	31 Dec 2021	31 Dec 2020	
Note	\$	\$	
Revenue			
Services provided	-	-	
Grant income	-	112,816	
Interest	534	6,969	
Total revenue and other income	534	119,785	
Expenses			
Research and development	(605,801)	(680,343)	
Governance	(348,201)	(386,142)	
Shareholder	(166,274)	(93,431)	
Total expenses	(1,120,276)	(1,159,916)	
Operating loss	(1,119,742)	(1,040,131)	
Foreign exchange loss	6,729	(48,168)	
Sale of shares	-	-	
Loss before income tax	(1,113,013)	(1,088,299)	
R&D loss tax credit	379,010	444,860	
Income tax expense	-	-	
Loss after income tax	(734,003)	(643,439)	
Other comprehensive income			
Exchange difference on translation of foreign operations	5,738	43,526	
Other comprehensive income	5,738	43,526	
Total comprehensive income for the period	(728,265)	(599,913)	
Earnings per share:			
From continuing operations:			
Basic loss per share (cents)	2	(0.11)	(0.10)
Diluted loss per share (cents)	2	(0.11)	(0.10)

The above Statement should be read in conjunction with the accompanying notes and the 30 June 2021 Annual Report.

Living Cell Technologies Limited

Consolidated Statement of Financial Position

As at 31 December 2021

	31 Dec 2021	30 Jun 2021
	Note	\$
		\$
ASSETS		
CURRENT ASSETS		
Cash & cash equivalents		4,411,451
Trade and other receivables	4	13,646
Short Term Investments		43,302
TOTAL CURRENT ASSETS		4,455,821
NON-CURRENT ASSETS		
Property, plant & equipment		16,321
TOTAL NON-CURRENT ASSETS		16,321
TOTAL ASSETS		4,455,821
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables		169,561
Short term provisions		95,520
TOTAL CURRENT LIABILITIES		265,081
TOTAL NON-CURRENT LIABILITIES		-
TOTAL LIABILITIES		265,081
NET ASSETS		4,078,085
EQUITY		
Share capital	5	74,371,070
Reserves		3,792,702
Accumulated losses		(76,786,656)
TOTAL EQUITY		1,377,116

The above Statement should be read in conjunction with the accompanying notes and the 30 June 2021 Annual Report.

Living Cell Technologies Limited

Consolidated Statement of Changes in Equity

For the half year to 31 December 2021

31 December 2021

	Ordinary Shares \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Total \$
Balance at 1 July 2021	74,371,070	(76,786,656)	3,611,922	180,780	1,377,116
Loss attributable to members of the entity	-	(734,003)	-	-	(734,003)
Total other comprehensive income	-	-	(5,738)	-	(5,738)
Total comprehensive income for the period	-	(734,003)	-	-	(739,741)
Transactions with owners in their capacity as owners					
Shares issued during the period	3,861,265				3,861,265
Transaction costs	(483,467)				(483,467)
Options issued for shares				107,612	107,612
Share-based remuneration	-	-	-	-	-
Expired Options	-	-	-	(44,700)	(44,700)
Balance at 31 December 2021	77,748,868	(77,520,659)	3,606,184	243,692	4,078,085

31 December 2020

	Ordinary Shares \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Total \$
Balance at 1 July 2020	74,371,070	(75,326,065)	3,606,249	227,100	2,878,354
Loss attributable to members of the entity	-	(643,439)	-	-	(643,439)
Total other comprehensive income	-	-	43,526	-	43,526
Total comprehensive income for the period	-	(643,439)	43,526	-	(599,513)
Transactions with owners in their capacity as owners					
Share-based remuneration	-	-	-	-	-
Expired Options	-	-	-	-	-
Balance at 31 December 2020	74,371,070	(75,969,504)	3,649,775	227,100	2,278,441

The above Statement should be read in conjunction with the accompanying notes and the 30 June 2021 Annual Report.

Living Cell Technologies Limited

Consolidated Statement of Cash Flows

For the half year to 31 December 2021

	31 December 2021	31 December 2020
	\$	\$
Cash from operating activities:		
Receipts from customers	-	-
Payments to suppliers and employees	(977,043)	(1,198,642)
Grants and R & D tax credit received	379,010	551,314
Interest received	478	21,688
Net cash used in operating activities	(597,555)	(625,640)
Cash flows from investing activities:		
Receipt from bond	43,302	-
Net cash provided by investing activities	43,302	-
Cash flows from financing activities:		
Proceeds from issuing shares	1,571,752	-
Converting notes	2,289,513	-
Transaction costs	(465,480)	-
Repayment of lease liability	-	(26,222)
Net cash provided by / (used in) financing activities	3,395,785	(26,222)
Net increase/(decrease) in cash and cash equivalents	2,841,532	(651,862)
Cash and cash equivalents at beginning of period	1,568,928	2,964,873
Exchange rate changes on cash and cash equivalents	991	(4,308)
Cash and cash equivalents at the end of the period	4,411,451	2,308,703

The above Statement should be read in conjunction with the accompanying notes and the 30 June 2021 Annual Report.

Living Cell Technologies Limited

Notes to the Consolidated Financial Statements

For the 6 months to 31 December 2021

1. Statement of significant accounting policies

(a) Basis of preparation

This interim financial report for the half-year ended 31 December 2021 has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards AASB 134 Interim Financial Reporting.

The financial report covers the consolidated entity of Living Cell Technologies Limited and its controlled entities. The financial report has been presented in Australian dollars, the group's presentation currency. The report consists of the financial statements, notes to the financial statements and the directors' declaration.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report made by Living Cell Technologies Limited for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies have been followed as those applied in the financial report for the year ended 30 June 2021, except for any new, revised or amended accounting standard and interpretation adopted in note 1(c).

(b) Going concern

This interim financial report has been prepared on a Going Concern basis. The consolidated entity incurred a loss after tax attributable to members of \$(734,003 (2020: \$643,439) and incurred negative cash flows from operations of \$(597,556) (2020: \$625,640).

As at 31 December 2021 the consolidated group had \$4,411,451 cash in the bank, compared to \$1,568,928 at 30 June 2021 following the capital raisings undertaken during the period as discussed in Note 5. The directors acknowledge that the expenditure in relation to operating activities is predominately discretionary. Operating cash outflow is being managed by the directors to the extent of funding available.

The directors have prepared the report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(c) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Living Cell Technologies Limited

Notes to the Consolidated Financial Statements

For the 6 months to 31 December 2021

2. Earnings per share

The following reflects the income and share information used in the calculation of basic and diluted losses per share:

	31 Dec 2021	31 Dec 2020
Losses used to calculate basic EPS	\$(728,265)	\$(599,913)
Weighted average number of ordinary shares outstanding during the year		
No. used in calculating basic EPS	674,246,507	571,440,981
(Loss) per share (cents)	(0.11)	(0.10)
Diluted (loss) per share (cents)	(0.11)	(0.10)

3. Net asset backing

	31 Dec 2021	30 Jun 2021
Net tangible assets per ordinary share (cents per share)	0.60	0.24

4. Trade and other receivables

	31 Dec 2021	30 Jun 2021
	\$	\$
Accrued interest	57	-
Other receivables	44,313	13,646
Total	44,370	13,646

Living Cell Technologies Limited

Notes to the Consolidated Financial Statements

For the 6 months to 31 December 2021

5. Share Capital

	No. of Shares	\$	\$
Number of ordinary shares at the beginning of the period	571,441,081		74,371,070
Number of shares issued on 20 October 2021	142,410,245	0.0085	1,210,487
Number of shares issued on conversion of converting notes on 29 th November 2021	269,354,460	0.0085	2,289,513
Rights issue shares on 30 December 2021	45,158,037	0.0080	361,265
Share issue transaction costs net of tax	-	-	(483,467)
Number of ordinary shares at 31 December 2021	1,028,363,823		77,748,868

On 19th October 2021, the Company secured funding for the commencement of a third clinical trial of NTCELL in Parkinson's disease, advancing the Company's efforts in this important research. The third trial aims to determine if NTCELL provides neuroprotection to halt or delay the natural progression of Parkinson's disease. The funding was secured via a placement to sophisticated investors of 142,410,245 new shares and 269,354,460 mandatorily converting notes. The issues were at \$0.0085 for each new share and note, raising a total of \$3.5 million before costs. These convertible notes were converted to ordinary shares after the 29 November 2021 General Meeting. The Company also announced a renounceable rights issue of new shares and options to eligible shareholders, on the same terms as the placement. The renounceable rights issue was subsequently repriced, with the Company issuing new shares at \$0.008 per share and one third of a new option, instead of at \$0.0085. On 9 December, LCT extended the closing date for the renounceable rights issue by one week, to 21 December. On 13 December, the Company announced it would issue 147,480,853 options pro rata to eligible shareholders in the placement. All options convert into LCT shares at \$0.015 and expire on 19 April 2024.

The rights issue raised a total of \$361,264 from the issue of 45,158,037 new shares before costs, with the possibility of further funds being obtained by the placement of shortfall securities 'within three months of the expiry of the rights issue.

The company had 458,965,660 outstanding Options as at 31 December 2021.

	Number of options
Number of options outstanding relating to placement	78,223,262
Number of option outstanding relating to broker	24,500,000
Number of options outstanding relating to conversion of converting notes	341,189,720
Number of options outstanding relating to right issues	15,052,678
Total number of options outstanding at 31 December 2021	458,965,660

The company is still to issue the balance of options relating to the repricing of the placement and converting notes as there were insufficient number of options.

Living Cell Technologies Limited

Notes to the Consolidated Financial Statements

For the 6 months to 31 December 2021

6. Segment reporting

The consolidated entity operates both in Australia and New Zealand being the research and development and product development into living cell technologies.

7. Contingent liabilities and contingent assets

The Company had on issue a bank bond over the lease of 23 Edwin Street lease of \$43,302 which was returned to the company on exit of the lease on 30 September 2021, upon which the term deposit was deposited back into the company's bank account (2020: \$42,920).

In the opinion of the directors, the company did not have any other material contingencies as at 31 December 2021 (2020: nil).

There have been no unfulfilled conditions and other contingencies attached to government assistance.

8. Subsequent events

Living Cell Technologies has achieved another key milestone, signing a Services Agreement with New Zealand biotechnology company NZeno Limited on 24 January 2022, for it to breed and maintain pigs to provide tissue for the company's upcoming third clinical trial of NTCELL in Parkinson's disease.

The agreement with NZeno includes the establishment of a dedicated suite at NZeno's facility for the housing of pigs, to be used for the clinical supply of porcine choroid plexus tissue to LCT, together with a surgical facility and maintenance of a dedicated herd of Auckland Island derived pigs.

A fee of NZ\$250,000 (approx. A\$234,000) per annum is payable to NZeno for the ongoing maintenance of the dedicated pig facility and pig herd. A milestone payment of NZ\$500,000 (payable in cash or securities) is due upon successful regulatory approval for the LCT trial to commence, with a further milestone payment of NZ\$500,000 (payable in cash or securities) upon successful completion of the LCT trial and approval for commercialisation

Post-trial, a royalty is payable annually on gross revenue derived by LCT from all NTCELL sales incorporating porcine tissue calculated at the rate of 2.5%, up to a maximum of NZ\$2,500,000.

Initial upfront payments until completion of the LCT trial comprise NZ\$250,000 within 10 working days of the agreement being signed; an additional NZ\$100,000 upon LCT's approval for NZeno to establish the dedicated pig facility and surgical facility; and a further four progress payments of NZ\$100,000 each, with the final payment on satisfactory completion of the two facilities.

9. Company details

Living Cell Technologies Limited
Level 7, 330 Collins Street
Melbourne, VIC 3000

Living Cell Technologies Limited

Directors' Declaration

The directors of Living Cell Technologies limited declare that:

- (a) The financial statements and notes, as set out on pages 6 to 13 are in accordance with the Corporations Act 2001 including that they:
 - (i) give a true and fair view of the financial position as at 31 December 2021 and the performance for the half year ended on that date of the consolidated entity; and
 - (ii) comply with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory reporting requirements.
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors, and is signed for and on behalf of the directors;

Dated at Auckland on the 25th day of February 2022



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Director
Bernard Tuch (Executive Chairman)

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Living Cell Technologies Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Living Cell Technologies Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary

to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO


John Bresolin
Director

Sydney, 25 February 2022

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