



Living Cell Technologies Limited

ACN: 104 028 042

ASX: LCT

OTCQX: LVCLY

LCT Strategy Update

11 April 2018

Since the AGM, LCT's Board and management have been working diligently, focused on developing a robust, well-considered and comprehensive strategy; one that makes the best use of our expertise, proprietary assets, partnerships and available funds to give shareholders the best chance of achieving a return on your investment.

What follows is an outline of that strategy. We will advance research and development projects, minimising our burn rate and maximising the number and quality of target opportunities for achieving revenues in the near term.

By building on the research partnerships we have established, and opening up more research fronts, we are able to increase and diversify our targets and reduce our dependency on the outcome of any single research programme.

Parkinson's disease – NTCELL®

We have obtained approval from regulatory authorities and ethics committee to continue to follow all patients in the Phase IIb trial at 12, 18, and 24 months post implant. It is now an open study which allows interim analysis of data. The study will conclude in May 2019. If, at any time, we get efficacy data that supports a regulatory submission, we can discuss that immediately with the regulators.

Pericyte Protective Agent

LCT has signed a further research contract with the University of Auckland Centre for Brain Research (CBR). Professor Mike Dragunow and Distinguished Professor Margaret Brimble and their teams at the CBR and Chemical Sciences at the University of Auckland are furthering their research on the chemical secretions of NTCELL (encapsulated choroid plexus cells) developed and patented by LCT.

This research project is based on expertise acquired during the development of NTCELL, and the results of earlier studies showing that chemical secretions of NTCELL protect human brain pericytes from injury.

Pericytes are cells that line the capillaries in our brains and play vital roles in maintaining a healthy blood supply to the brain. They also maintain the blood-brain barrier (BBB), which prevents potential toxins from entering the brain. Pericyte Protective Agents (PPAs), such as we are targeting, would have the potential to protect the BBB, which degenerates in diseases such as Alzheimer's and Motor Neurone disease.

Distinguished Professor Sir Richard Faull, Director of the Centre for Brain Research, says that the world leading human brain cell culturing technology developed in the CBR by Professor Dragunow and the proven medicinal chemistry expertise of Professor Brimble and her team offer an exciting and

innovative opportunity to develop potential novel therapies for devastating neurological disorders like Alzheimer's disease, which are increasing with the ageing population.

Other therapeutic targets

We have signed non-disclosure agreements and Memoranda of Understanding that enable us to continue due diligence on other product opportunities that are near to being ready for first-in-man clinical studies.

This is work in progress, with due diligence focusing on the earliest milestone that creates added value within our existing funding capability. We are currently preparing detailed plans to explore these initiatives. We intend to identify two projects for investigation and investment. As we agree and sign research contracts or term sheets we will announce full details of these projects.

DIABECCELL® update

As announced in January, we have sold our 50 percent share of Diatranz Otsuka Limited (DOL) to Otsuka Pharmaceutical Factory (OPF), which is pursuing an encapsulated pancreatic cell product as a potential treatment for unaware diabetic hypoglycaemia in USA. We retain an interest in DIABECCELL through an agreement currently being finalised with OPF, for an exclusive license to commercialise this product in Australia, Argentina and New Zealand, if and when it is eventually approved by the FDA. This agency is of value to LCT as we maintain valuable contacts with diabetes treatment centres in these countries.

Company restructure

LCT has restructured the company, reducing headcount, in order to reduce our cash burn.

Dr Janice Lam PhD is appointed Head of Operations which includes Research and Development and Mr Daya Uka BCom, CA is appointed Head of Finance, IT and Corporate Services.

We are using contracted consultants to provide global expertise on the above research projects as required. For example, we have appointed Dr John Villiger as a consultant. He previously directed Roche's global drug development projects, and was co-founder of the Medicines Company, a NASDAQ listed pharmaceutical company in the United States. Dr Michelle Lockhart is drawing on her extensive international experience in clinical trials and regulatory affairs to consult to LCT in these functions.

Cashflow

Our reduced overheads, the cash received from the DOL sale, together with the finance raised by LCT last year and the grant from Callaghan Innovation gives LCT a three-year cash runway to achieve a revenue generating endpoint from any research and development initiatives.

Investor information, PR

To provide shareholders with more frequent updates on our progress on these projects, we have extended the remit of our PR consultants to co-ordinate the response to shareholder enquiries and prepare regular ASX releases and shareholder newsletters. We intend to keep you regularly updated as we advance our research projects.

Ken Taylor

CEO

For further information: www.lctglobal.com

<p>At the Company: Ken Taylor Chief Executive Tel: +64 9 276 2690 Mobile: +64 21 796 000 ktaylor@lctglobal.com</p>	<p>Media Contact: Rachael Joel Botica Butler Raudon Partners Tel: +64 9 303 3862 Mobile: +64 21 403 504 rachaelj@botica.co.nz</p>
---	--

About Living Cell Technologies

Living Cell Technologies Limited (LCT) is an Australasian biotechnology company improving the wellbeing of people with serious diseases worldwide by discovering, developing and commercialising regenerative treatments which restore function using naturally occurring cells.

LCT's lead product, NTCELL[®], is an alginate coated capsule containing clusters of neonatal porcine choroid plexus cells. After implantation NTCELL functions as a biological factory, producing factors to promote new central nervous system growth and repair disease-induced nerve degeneration.

The Phase I/IIa clinical trial of NTCELL for the treatment of Parkinson's disease, in New Zealand, met the primary endpoint of safety and halted the progression of the disease two and a half years after implant. Results from this trial were used to design a larger Phase IIb trial to confirm the most effective dose of NTCELL, define any placebo component of the response and further identify the initial target Parkinson's disease patient sub group. This trial commenced in March 2016. The 26-week results of this trial require further analysis and patients will continue to be monitored in accordance with the study extension protocol.

In addition to Parkinson's disease, NTCELL has the potential to be used in a number of other central nervous system indications, including Huntington's, Alzheimer's and motor neurone diseases including amyotrophic lateral sclerosis (ALS).

LCT's proprietary encapsulation technology, IMMUPEL[™], allows cell therapies to be used without the need for co-treatment with drugs that suppress the immune system.

LCT has initiated a collaboration with Sir Richard Faull, Centre for Brain research, and Professor Margaret Brimble, The University of Auckland to identify and synthesize a pericyte protective agent that may have potential therapeutic benefit in neurodegenerative diseases. LCT is also doing due diligence on other product opportunities in the field of translational neuroscience.

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

For more information, visit www.lctglobal.com or follow [@lctglobal](https://twitter.com/lctglobal) on Twitter.

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.