



Living Cell Technologies Limited

ACN: 104 028 042
ASX: LCT
OTCQX: LVCLY

ASX ANNOUNCEMENT

Appendix 4C Quarterly Cash Flow Report 31 March 2020

Sydney, Australia & Auckland, New Zealand, 29 April 2020 – Living Cell Technologies Limited today released its cash flow report for the quarter ended 31 March 2020. The Appendix 4C is attached. The company ended the quarter with a cash balance of \$3,633,042 compared to \$3,477,874 in the previous quarter. The cash balance has been boosted by the R&D rebate from Callaghan Innovation, tax credit from the Inland Revenue Department and reduced expenditure at the University of Auckland because of its closure to contain the spread of COVID-19.

Net operating cash flow in the quarter was \$140,454 compared to \$(967,063) in the previous quarter. Receipts from grants and tax incentives were \$648,733 (previous quarter \$107,279).

Operating payments were \$548,032 compared to \$1,108,143 in the previous quarter.

CEO, Dr Ken Taylor says that despite the global impact of COVID-19 and the Level 4 restrictions in New Zealand, business continues for LCT.

“We maintain contacts with the University of Auckland with regards to revised timelines for the obesity and migraine projects, which are dependent on the date the University reopens its laboratories.

“Our activities to pursue the next step for NTCELL® for Parkinson’s disease are also ongoing.”

LCT management work from home during the COVID-19 restrictions. Suppliers have been contacted to obtain relief for payments while LCT’s offices remain closed.

“In all cases suppliers have been very accommodating,” says Dr Taylor. “All the organisations we’ve talked to have understood the need to continue core activities and pause other services. Our objective is to preserve our cash runway as much as possible.”

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 (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.

As well as NTCELL, LCT is also advancing research collaborations with the University of Auckland to identify products that are candidates for out licensing to global pharmaceutical companies. Projects that have been initiated target obesity and migraine where the lead product candidates utilise patented novel peptide synthetic chemistry technology.

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 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.

Appendix 4C

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

Name of entity
LIVING CELL TECHNOLOGIES
ABN

14 104 028 042

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A	Year to date (9 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	-	47,830
1.2 Payments for		
(a) research and development	(113,863)	(1,958,409)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(18,981)	(39,126)
(d) leased assets	(36,098)	(157,844)
(e) staff costs	(271,643)	(790,972)
(f) administration and corporate costs	(107,447)	(572,096)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	39,753	111,151
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	648,733	1,040,480
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	140,454	(2,318,986)

2. Cash flows from investing activities		
Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A	Year to date (9 months) \$A
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	91,778
(d) investments	-	1,100,159
(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	-	1,191,937

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	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,477,874	4,907,957
4.2 Net cash from / (used in) operating activities (item 1.9 above)	140,454	(2,318,986)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	1,191,937

Consolidated statement of cash flows		Current quarter \$A	Year to date (9 months) \$A
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	14,714	(147,866)
4.6	Cash and cash equivalents at end of period	3,633,042	3,633,042

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	869,560	65,629
5.2	Call deposits	2,763,482	3,412,245
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)	3,633,042	3,477,874

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A
(59,167)
-

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

Amount included in 6.1 are for directors' fees paid to directors and their companies.

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

7. Financing facilities

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.

	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
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)	
8.2 Cash and cash equivalents at quarter end (Item 4.6)	
8.3 Unused finance facilities available at quarter end (Item 7.5)	
8.4 Total available funding (Item 8.2 + Item 8.3)	
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- 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: Cash will continue to diminish over time and will increase through fund raising via partnering and out licensing any of our current projects.

- 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: Despite the global impact of COVID-19 and the restrictions in New Zealand, business continues for LCT. We maintain contacts with the University of Auckland with regards to revised timelines for the obesity and migraine projects, which are dependent on the date the University reopens its laboratories. Our activities to pursue the next step for NTCELL® for Parkinson's disease are also ongoing. We have initiated plans to raise cash in the next 12 months. We continue to seek partner and out licensing opportunities.

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: LCT continues to have sufficient cash to fulfil its current obligations; and in the next 12 months with cash in hand and by raising further funds.

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: 29 April 2020

Authorised 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.