

## **June Quarterly Activities Report and Appendix 4C Cash Flow Statement**

Melbourne, Australia – 28 July 2023: Living Cell Technologies (ASX: LCT) (OTCQB: LVCLY) (“LCT” or “the Company”) is pleased to provide its quarterly activities report and appendix 4C for the period ended 30 June 2023.

### **NTCELL for Parkinson’s Disease**

The Company commenced a scientific review of the NTCELL clinical trial protocol and development plan with a primary focus on assessing potential enhancements to the therapeutic value of NTCELL.

A multi-disciplinary panel of scientific experts was appointed to advise upon aspects of a revised NTCELL project. Consultants on the advisory board share their opinions on matters concerning the NTCELL program following their review of prior clinical trial data achieved from the first and second NTCELL clinical trials. Their opinions will shape the scientific review being undertaken by LCT.

During the time of the scientific review, LCT has enacted a temporary pause to the maintenance of the porcine herd to minimise unnecessary ongoing costs during the time in which the choroid plexus tissue is not required. The herd will be built up again in 2024 following the scientific review, which will encompass adjustments to the clinical trial protocol and plans to engage clinical trial partners. Manufacture of NTCELL for the third clinical trial will recommence following the scientific review.

### **Appointment of Chief Scientific Officer – Dr James Mckenna**

The Company appointed Dr James A Mckenna as Chief Scientific Officer (‘CSO’) of the Company. Dr Mckenna is an experienced research scientist who holds a PhD in biochemistry and molecular biology from the University of Melbourne.

Dr Mckenna has been a full-time research scientist for 23 years, with experience in academic science, commercial drug development and intellectual property generation. Most recently, he held a leadership position at an ASX listed biotechnology company where he managed and was involved in teams to advance pre-clinical and clinical research and development (‘R&D’) programs for the purpose of achieving US Food and Drug Administration (‘FDA’) registration.

### **Patent Application Over AI-116 Drug Candidate for Dementia**

The Company filed a new provisional patent application over a combination drug candidate, which includes cannabidiol (‘CBD’) and another off-patent pharmaceutical ingredient, and its use in the treatment of dementia.

The filing of a provisional patent application establishes the priority date of the invention ahead of potential competitor companies. The filing also marks the commencement of a second R&D project for LCT.

The precursory development of the combination drug candidate, referred to as AI-116, has been overseen by the Company's scientific team and consultants. LCT is also in advanced discussions with a major Australian university to conduct pre-clinical studies to assess AI-116, including comparing the efficacy of AI-116 to an existing class of drugs used to treat dementia.

The primary focus of dementia treatment in recent decades has remained on managing symptoms and slowing the progression of the diseases underlying dementia. There has been no development of a cure for the diseases that cause dementia, which include Alzheimer's and Parkinson's disease. The global dementia drugs market size was valued at more than US\$8.7B in 2021 and is projected to reach US\$19.7B by 2031<sup>1</sup>.

## **Company Rebranding**

LCT announced that it intends to seek shareholder approval to rename the Company to Algorae Pharmaceuticals Limited ('Algorae'). The Company has reserved the ticker code 1AI with the Australian Stock Exchange (ASX).



Algorae is a unique word over which the Company has lodged a pending trademark. It derives from the term algorithm, which underpins artificial intelligence. The revised business model of the Company incorporates the use of artificial intelligence ('AI') to assist all drug discovery and development programs. LCT is in discussions with potential partners to facilitate the use and development of AI systems to advance drug discovery and development activities.

LCT will seek approval in a special resolution of shareholders to change the name of the Company to Algorae in the upcoming extraordinary meeting ('EGM') of shareholders that is planned for September 2023.

## **Corporate Activities**

As of 30 June 2023, LCT's cash balance was A\$4,111,074 and total cash outflows associated with operating activities was A\$276,313. The Company's expenses included R&D activities of \$181,793.

During the quarter, the Company completed the entitlement offer to shareholders, raising A\$1,399,300. The entitlement offer shortfall was placed to clients of Alignment Capital Pty Ltd ('Alignment'). After June 30, Alignment also completed the Greenshoe placement raising an additional \$A562,500 (gross) for the Company, completing all fundraising activities pursuant to the capital raising initiative announced in March 2023.

## **Additional Project Assessments**

As described in the Quarterly Report for the period ending 31 March 2023, LCT has budgeted a substantial proportion of new capital raised be allocated to the assessment and commencement of additional projects to expand and diversify the Company's development pipeline. LCT has a range of projects under scientific and commercial assessment and has entered discussions with contract research organisations and academic institutions to assist in the advancement of new project assessments.

Furthermore, EAS Consulting Group (EAS) has been engaged to provide advice related to international regulatory affairs associated with pharmaceutical products. EAS is a leading provider of regulatory compliance solutions to industries regulated by the FDA.

**This announcement has been approved for release to ASX by the LCT Board of Directors.**

**For further information:** [www.lctglobal.com](http://www.lctglobal.com)

**Corporate and Media Enquiries**

Brad Dilkes

Non-executive Director

Mobile: +61 422 180 317

[brad@lctglobal.com](mailto:brad@lctglobal.com)

**About Living Cell Technologies**

Living Cell Technologies Limited is a biotechnology company focused on discovering and developing novel treatments for debilitating neurological conditions, including dementia caused Alzheimer's disease, vascular dementia, lewy body dementia, frontotemporal dementia, Parkinson's disease and Huntington's disease. The Company is incorporated in Australia, with its operations based in Australia and New Zealand. LCT is listed on Australian (ASX: LCT) and US (OTCQB: LVCLY) stock exchanges.

The Company intends to seek shareholder approval to rename the Company to Algorae Pharmaceuticals Limited ('Algorae'). Algorae is a unique word over which the Company has lodged a pending trademark. It derives from the term algorithm, which underpins artificial intelligence. The revised business model of the Company incorporates the use of artificial intelligence to assist all drug discovery and development programs. The new name better reflects and represents the overall business of the Company as it works to expand into new R&D programs in addition to the NTCELL research project. LCT will seek approval in a special resolution of shareholders to change the name of the Company to Algorae in the upcoming extraordinary meeting ('EGM') of shareholders that is planned for September 2023.

For more information visit [www.lctglobal.com](http://www.lctglobal.com) or follow @lctglobal on Twitter or LinkedIn.

**References**

<sup>1</sup> <https://www.alliedmarketresearch.com/dementia-drugs-market-A12014>

**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.

Living Cell Technologies Limited

Level 23, Rialto South Tower, 525 Collins Street, Melbourne VIC 3000

P: +61 422 180 317

## Appendix 4C

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

**Name of entity**

Living Cell Technologies Limited

**ABN**

14 104 028 042

**Quarter ended ("current quarter")**

30 June 2023

Consolidated statement of cash flows		Current quarter \$A	Year to date (12- months) \$A
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(181,793)	(1,276,485)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(6,447)	(30,318)
	(d) leased assets	-	-
	(e) staff costs	(101,028)	(249,191)
	(f) administration and corporate costs	(7,755)	(467,182)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	20,710	36,885
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)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(276,313)</b>	<b>(1,986,291)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A</b>	<b>Year to date (12- months) \$A</b>
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,399,300	2,149,300
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	9	9
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(246,657)	(299,067)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,152,652</b>	<b>1,850,242</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,230,792	4,238,857
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(276,313)	(1,986,291)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A</b>	<b>Year to date (12- months) \$A</b>
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)	1,152,652	1,850,242
4.5	Effect of movement in exchange rates on cash held	3,943	8,266
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,111,074</b>	<b>4,111,074</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A</b>	<b>Previous quarter \$A</b>
5.1	Bank balances	2,088,514	1,218,597
5.2	Call deposits	2,022,560	2,012,196
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,111,074</b>	<b>3,230,793</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	123,684
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.*

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A</b>	<b>Amount drawn at quarter end \$A</b>
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>		
7.5	<b>Unused financing facilities available at quarter end</b>		
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.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(276,313)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,111,074
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,111,074
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	14.9
<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 July 2023.....

Authorised by: By the Board.....  
(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.