Chairman's Address to the 2016 Annual General Meeting

Now we come to the chairman's address. This is the sixth time I have had the honour of presenting the Chairman's Report for Living Cell Technologies. There is much progress to report as the company works towards the development of a commercially available treatment for Parkinson's disease and a strategy to make it available to many of the seven million people worldwide who live with the disease.

I'd like to briefly highlight some of the milestones of the past 12 months: trial results, securing product supply, capital raising and grants.

During the year the company released long term data from the Phase I/IIa clinical trial of NTCELL in Parkinson's disease. This data demonstrates the continued reversal of Parkinson's in the four patients. The improvement in the patients' neurological scores is equivalent to approximately 3 years' reversal of neurological deterioration.

The continuing effectiveness of NTCELL delivers credibility to, and confidence in, LCT's science programme.

In the first half of the year we completed contracts to secure the supply and manufacture of NTCELL which previously was manufactured by our joint venture, Diatranz Otsuka Limited. In order to produce NTCELL independently, LCT has hired 11 new staff and established processes to comply with GMP standards as well as acquiring the necessary licences. This was a significant piece of work for the company.

In February 2016 we made a private placement of 54,607,546 ordinary shares. We placed a further 9,532,034 ordinary shares in the subsequent share purchase plan and a further funding round in April placed 8,349,010 ordinary shares. Altogether these raised $3.7 million. These funds are being used as working capital to carry out the Phase IIb clinical trial of NTCELL in Parkinson's disease.

Callaghan Innovation awarded the company an R&D grant worth in the region of $2 million in August 2015 which will reimburse LCT for 20 percent of actual eligible New Zealand research and development expenditure over the next three years.

The Company's 50% joint venture Diatranz Otsuka Limited has licensed its other 50% shareholder, Otsuka Pharmaceutical Factory, Inc. to use DIABECELL in the United States and Japan. Otsuka is further improving the product in the United States and Diatranz retains the right to use it in the rest of the world, so is no longer carrying out research and development in New Zealand.

The focus for the next twelve months is simple and clear: to complete the Phase IIb trial of NTCELL in Parkinson's disease. Providing a positive trial result and obtaining provisional consent from MedSafe, the focus moves to commercialisation as LCT is then able to treat paying patients in New Zealand. This will deliver a revenue stream for the Company.

Finally, on behalf of the Board, I would like to thank all of the employees of LCT, our partners, advisors and supporters for their determined efforts and notable achievements over the past twelve months.

Thank you too to our shareholders for their continued (and for some, increasing) support and confidence in the work LCT is doing.

We anticipate an exciting future for the company in the coming years.

living cell technologies™

Dr K M Taylor Presentation to AGM

16 November 2016

http://www.lctglobal.com

SAFE HARBOUR STATEMENT

This document contains certain forward-looking statements, relating to LCT's business, which can be identified by the use of forward-looking terminology such as "promising", "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 as of the date of this presentation 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.

Creating LCT shareholder value

LCT's goal is to be a profitable company, earning revenue from the launch of NTCELL® as the first disease modifying treatment for Parkinson's disease.

A successful NTCELL implantation program in New Zealand alone will achieve this goal.

Currently LCT has the staff, product, technology, finance plan and necessary contacts to launch NTCELL in 2018.

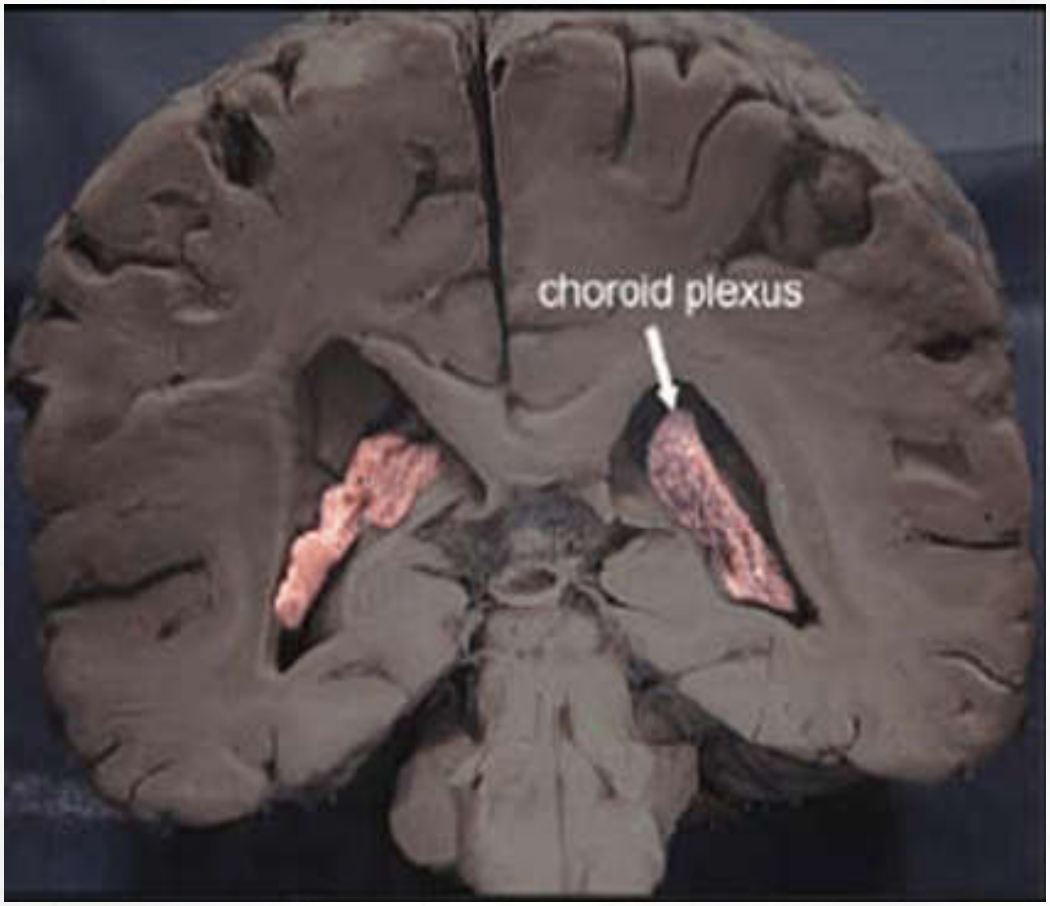
Need successful outcome of current trial

LCT is dependent only on completion and a successful outcome of its Phase IIb clinical trial of NTCELL in Parkinson's disease.

The trial endpoints will answer the 3 questions raised by the NZ Ministry of Health to qualify for provisional (fast track) consent to market:

- Define efficacy and any placebo contribution
- Define optimal dose of NTCELL implantation
- Define initial target Parkinson's disease patient subgroup

Product. NTCELL treatment is implantation of encapsulated choroid plexus cells into the brain

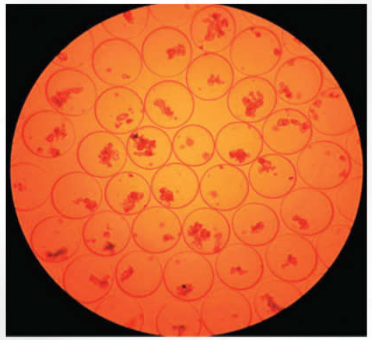


Choroid Plexus:

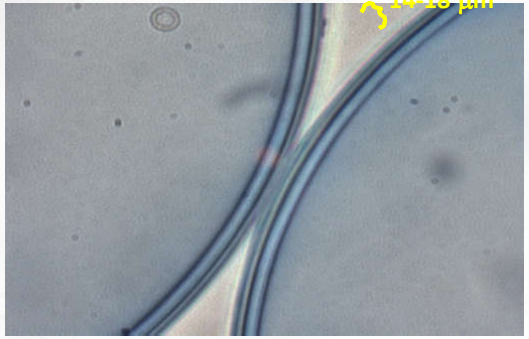
- Secretes cerebrospinal fluid (CSF)
- Provides neurotrophic factors
- Provides neuro-protective factors
- Removes toxin (drugs, metals, etc.)
- Clears waste products

NTCELL is encapsulated choroid plexus cells

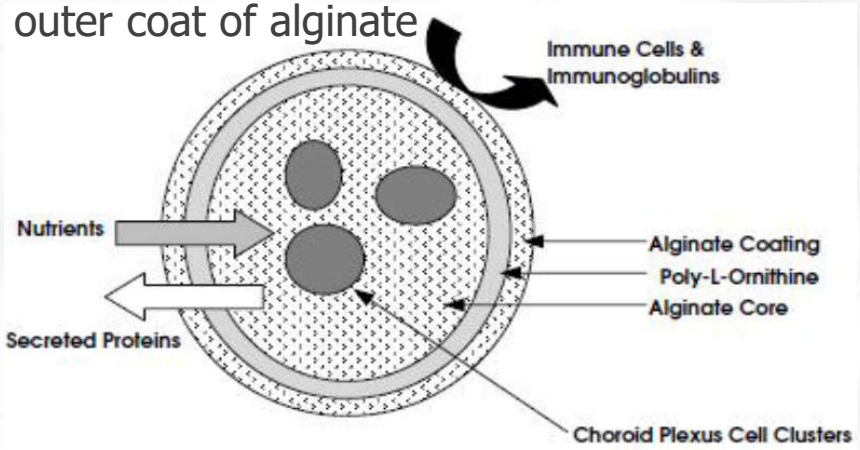
- **Designated pathogen-free herd of Auckland Islands pigs**
  - Surgical removal of the brain from anaesthetised and exsanguinated pathogen free animals
  - Enzyme digestion by collagenase and protease to make choroid plexus (CP) cell free clusters
  - CP cell-free clusters entrapped in calcium-alginate gel, coated in positively charged poly-L-ornithine and then layered with an outer coat of alginate



NTCELL alginate microcapsules containing porcine choroid plexus cells



Diameter: ~ 600mm



The structure of the alginate microcapsules containing CP cells. The membrane excludes large globular proteins (>80,000 Da) and all cells, but nutrients, oxygen and carbon dioxide can diffuse freely and secreted proteins (<80,000 Da) can diffuse out.

LCT has know-how and capabilities to deliver cell transplantation in the CNS

- Strong safety profile
- Proven quality raw materials (alginate & PLO)
- Not easily transferable skills
- GMP facility

Twenty-year patent protection expected

LCT patent

Treatment of CNS disease with encapsulated inducible choroid plexus cells

- Filed in USA and under PCT for rest of the world

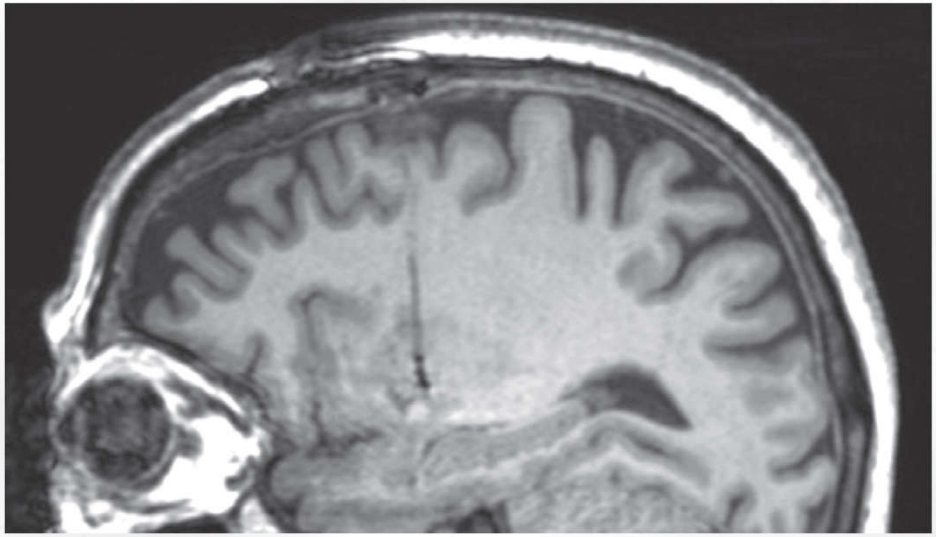
  United States Patent and Trademark Office
  Application Number 62/162,390
  Treatment of CNS disease with encapsulated inducible choroid plexus cells
  Date 15/05/2015

- Has received a favourable initial examination by the US examiner

- We are confident that we will get enough claims approved to get 20 year market exclusivity for NTCELL treatment of Parkinson's disease

Clinical development – first clinical study
Phase I/IIa trial-NTCELL implantation procedure

- Protocol
  - 4 PD patients previously selected for Deep Brain Electrode implantation
  - 40 NTCELL microcapsules (c. 40,000 CP cells) implanted into the putamen on the side contralateral to that of the greatest clinical deficit
  - Primary endpoint - safety



Sagittal MRI showing the cannula tract

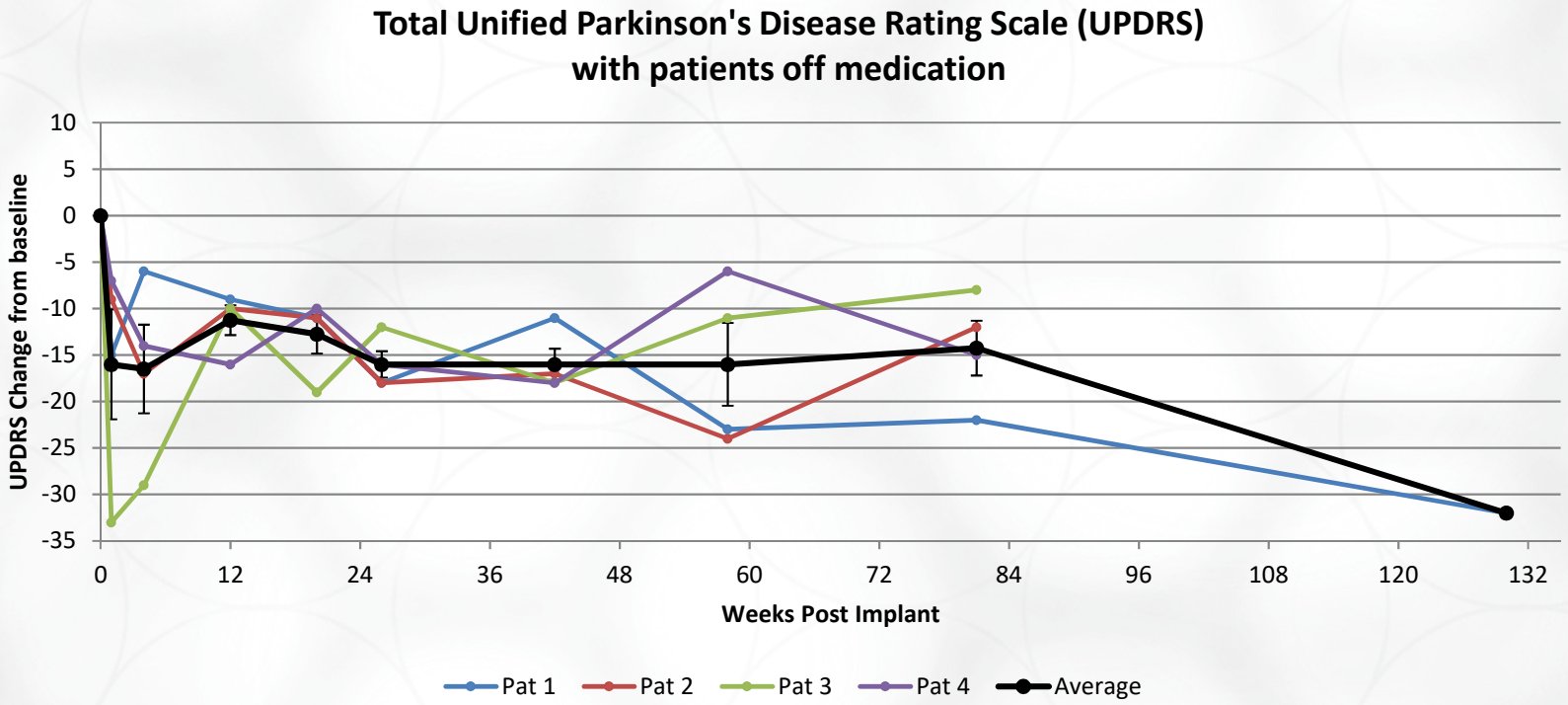
Implanted NTCELL microcapsules are distributed through the putamen at the end of the tract

Phase I/IIa trial completed - no safety issues

NTCELL "Improved every rating scale in first 4 patients"

Dr Barry Snow, Principal Investigator

- Decrease in UPDRS is clinically and statistically significant



Phase I/IIa completed trial
NTCELL reversed progression of Parkinson's

- In all four patients
  - NTCELL treatment has stopped the progression of Parkinson's disease as measured by globally accepted and validated neurological rating scales
  - The 81 week post-implant data show there is a clinically and statistically significant improvement in the patients' neurological score from their pre-implant baseline
- Improvement equivalent to approximately 3 to 5 years of PD remission
- Improvement maintained
- No safety issues

Milestones achieved since AGM 2015
All focus on pivotal phase IIb clinical trial

12 November 2015	**Phase IIb Parkinson's study authorised** Minister of Health authorised application to conduct a Phase IIb study of NTCELL in Parkinson's.
2 December 2015	**Supply and manufacture of NTCELL secured** Contracts to secure the supply and manufacture of NTCELL completed, including purchase of plant, designated pathogen-free pigs and inventory. Facilities will provide sufficient capacity to manufacture NTCELL for the Phase IIb clinical trial and treat patients under provisional consent.
3 February 2016	**Ethics Committee approved Phase IIb clinical trial of NTCELL for Parkinson's**
17 February 2016	**54,607,546 shares privately placed to NZ residents raising $2,764,621;** share purchase plan announced enabling existing shareholders to buy up to $15,000 worth of new shares.
24 March 2016	**Auckland Hospital Research Review Committee approved Phase IIb clinical trial of NTCELL for Parkinson's.** Patient recruitment commences.
4 April 2016	**9,532,034 shares issued under the share purchase plan, raising $0.5m**
21 April 2016	**8,349,010 shares privately placed to NZ residents raising $431,034,** bringing total funds raised in round to $3.7m.
23 June 2016	**NTCELL demonstrates continued reversal of Parkinson's in Phase I/IIa trial patients** Principal Investigator Dr Barry Snow presented data on safety and clinical effects of NTCELL in Parkinson's at the 20th International Congress of Parkinson's Disease and Movement Disorders in Berlin. At 81 weeks after implant, patients showed a statistically and clinically significant improvement in neurological scores from pre-implant baseline. Improvement equivalent to approximately 3 year reversal of neurological deterioration.

Phase IIb study

Group 1: Patients 1-6
4 dosed and 2 placebo, randomly assigned
40 NTCELL microcapsules (± 5%) bilaterally
[total of 80 microcapsules], or placebo [sham surgery]

Group 2: Patients 7-12
4 dosed and 2 placebo, randomly assigned
80 NTCELL microcapsules (± 5%) bilaterally
[total of 160 microcapsules], or placebo [sham surgery]

Group 3: Patients 13-18
4 dosed and 2 placebo, randomly assigned
120 NTCELL microcapsules (± 5%) bilaterally
[total of 240 microcapsules], or placebo [sham surgery]

- Study will be unblinded upon completion of 26-week follow-up period
- Placebo patients will receive optimal dose of NTCELL

Phase IIb study recruitment accelerates
Six patients implanted in one week

3 October 2016	Completed implantation in group 1 patients
21 December 2016	Target completion date for implantation of group 2 patients
February 2017	Target completion date for implantation of group 3 patients

- Maintain momentum at Auckland City Hospital
- Saturday extra neurosurgical clinics targeting 2 patients each session
- 2 stereotaxic units commissioned
- Patients available due to success of Parkinson's New Zealand patient information meetings

Phase IIb study result

August – September 2017

- NTCELL Phase IIb trial result 26 weeks after implant of last patient in group 3
- Placebo patients will be offered implant with most effective dose of NTCELL
- Follow up open study of all patients in both Phase I/IIa and IIb NTCELL clinical studies

Regulatory strategy

Q4 2017 File NDA with NZ Medsafe (Ministry of Health) for provisional consent under Section 23 of Medicines Act to market NTCELL

Q1 2018 NTCELL market launch at Ascot Hospital, Auckland

NTCELL – market expansion

Partnership or out-license would be required to expand NTCELL implantation capacity to supply sites outside New Zealand

Manufacturing technology, regulatory expertise and marketing would have to be supplied by a partner

LCT's immediate strategic goal of a profitable company does not depend on successful partnering

Therefore, it can assess any partnering interest on its merits

Strategy

- LCT's goal is to launch NTCELL as the first disease modifying treatment for Parkinson's disease in 2018
- First country of launch is New Zealand which is the most efficient approach to increasing the number of NTCELL treated patients
- This will expand the NTCELL quality, safety, and efficacy data necessary to fully globalise the product and allow submissions to FDA, EMA and Asian authorities
- LCT may seek a global commercialisation partner to fully realise the market potential of NTCELL

First Parkinson's disease-modifying drug – significant market opportunity

- 7–10 million people living with Parkinson's disease (PD) worldwide
- Incidence of PD increases with age
- But 19% diagnosed aged 15–64 and withdraw from workforce
- 64,000 Australians affected by PD. Will double in 20 years
- No disease modifying treatment or cure currently available
- Symptomatic treatments available but have a limited duration of efficacy
- PD drug sales totalled $US 2.4B in 2014. All symptomatic treatments
- Levodopa "gold standard" – 50 years old

Parkinson's disease
Progress of competitors to NTCELL

Stem Cells
ISCO/Cyto Therapeutics initiated a 12 patient trial in Melbourne implanting neural stem cells from a pluripotent pathenogenic cell line. Controversial differentiation and production QA and cost remain stem cell issues.

Vaccine
AFFiRiS has developed a vaccine (PD01A) to create antibodies to alpha synuclein. Treatment to date is safe but "responders" antibodies do not last long.

Nilotinib
Anticancer drug that inhibits LRRK2 the most common gene defect in the 10% of PD cases that have a genetic link. Controversial, has side effects and placebo responses.

Human ventral mesencephalic tissue transplants
TRANSEURO initiated study with ethical and logistical, QA issues.

GDNF infusions
Medgenesis is undertaking a trial in UK with monthly brain infusions through 7 portals with ciliary derived nerve growth factor.

NTCELL clinical trial supported by patient organisation – Parkinson's is their disease. Video on www.lctglobal.com.

UPDATES FROM DR BARRY SNOW ON

the most recent and advanced treatments for Parkinson's disease.

If you missed out last time or if you would just like to come along again Parkinson's NZ invite you to come and listen to Dr Barry Snow on

Monday 14 November from 7pm at the QBE Stadium Function Centre Level 1 North Lounge, Stadium Dr, Albany, Auckland 0752

Dr Snow will update you on the current clinical research using NTCELL, including the results from the latest study. You are welcome to bring family members along with you, light refreshments will be provided.

Free car parking is available in Carpark A, entry is through Gate A off Stadium Drive.

Contact Bev Rakich on 09 278 6918 if you have any questions about this event.

NTCELL pricing – Pharmacoeconomics

Cost of Parkinson's disease

(Ref. Johnson et al. Pharmaco Economics 31.799 – 806,2013)

Direct costs (USD) per year

Newly diagnosed	$ 9,175
Significant mobility limitation, need assistance	$ 31,800
Nursing care or institution	$ 43,506

NTCELL

- Phase IIa study – 3-5 year reversal of UPDRS, mobility and quality of life score
- Predicts delay or prevention of disease progression
- Benefit would be 3x-5x yearly direct cost of patient care required for mobility limitation and nursing care plus quality of life

Financing

- See annual report 2016
- Awarded Callaghan Innovation grant
  - 20% rebate on eligible Research and Development expenditure
- Considering fundraising opportunities

LCT Personnel and Advisors

Living Cell Technologies

Ken Taylor, PhD
CEO

Kathleen Durbin, PhD
Head of Clinical and Regulatory

Janice Lam, PhD
Head of Operations

Sarah Carley, PhD
Quality Assurance Manager

Auckland Clinical Site

Barry Snow, FRACP
Principal Investigator, Neurologist

Mark Simpson, FRACP
Investigator, Neurologist

Ari Bok, FRACS
Patrick Schweder, FRACS
Neurosurgeons

Data Safety Monitoring Board

Prof Tim Anderson FRACP
Dr Rod Ellis-Pegler FRACP
Dr Andrew Hughes FRACP

Scientific Advisors

Anne B Young, MD
Professor of Neurology, Harvard Medical School, Boston, USA

Roger Barker, MD
Professor of Clinical Neurosciences ,Deputy Director, John van Geest Centre for Brain Research, University of Cambridge, UK

Richard Faull, MBChB, PhD
Professor of Anatomy , Director, Centre for Brain Research, University of Auckland, NZ

Jackie Lee, PhD
Consultant,
ex Research Director, Geron, USA

Advantages of NTCELL for Parkinson's

- NTCELL is encapsulated porcine choroid plexus cells
- Rationale:
  - **A "factory" approach** for nerve growth: not single drug intervention
  - **Supply:** Porcine advantage over human
  - **Brain**: immuno-privileged
  - **Severe unmet medical need**
  - **Cost to benefit**: focus on benefit – first disease modifying treatment
  - **Plasticity**: NTCELL adapts to disease in vivo
    PD first target due to acceptance of DBS procedure, identified site and endpoint
  - **Advantage over stem cells**: No concern of tumorigenicity; A defined cell population rather than unknown mixed cell types; No current stem cell technology to generate choroid plexus cells

Business plan

With successful Phase IIb trial completion and outcome, LCT can be a profitable company focusing on NTCELL implantation in New Zealand

LCT currently has control of all necessary inputs to achieve this goal