



Living Cell Technologies Limited

ACN: 104 028 042

ASX: LCT

OTCQX: LVCLY

ASX ANNOUNCEMENT

LCT to sell JV shares for \$3m and receive DIABECCELL® licence

25 January 2018 – Sydney, Australia & Auckland, New Zealand – Living Cell Technologies Limited (LCT) has agreed to sell its 50% shareholding in joint venture company, Diatranz Otsuka Limited (DOL), to the other 50% shareholder, Otsuka Pharmaceutical Factory, Inc. (OPF), for \$3m. Settlement is on 31 January 2018. In association with this, LCT and DOL have agreed to sign a memorandum of understanding, upon completion of sale of the shareholding, to exclusively license LCT to use DIABECCELL in Australia, Argentina and New Zealand when it is FDA approved, and to supply product on favourable terms.

In October 2014 DOL licensed OPF to use DIABECCELL in United States and Japan, and OPF undertook to further develop the product in United States. However, this is taking much longer than originally anticipated. While DOL retains an exclusive right to manufacture and market DIABECCELL in the rest of the world, it does not have the capacity to manufacture product, and the price to purchase it from OPF had not been agreed. OPF has said that it will support DOL to meet its responsibilities under the LCT licence. As LCT is not in a position to add value to DOL, it has decided to sell its shareholding and utilise the resulting funds to further develop its own product pipeline.

Dr Ken Taylor, CEO of LCT, says, "Effectively these extra funds are projected to extend our cash runway out to approximately 2.5 years. In that time, we believe NTCELL® and products in our pipeline, which include pericyte protective agents, can be funded to generate an exit position favourable to shareholders. Moreover, the exclusive right to market OPF's US-developed DIABECCELL product in Australia, Argentina and New Zealand – countries where LCT has extensive clinical connections and support – will be of value when DIABECCELL eventually gets FDA approval."

– 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.

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 in the three-year follow-up showed persistent long-term improvement in some patients. 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 required further analysis and patients will continue to be monitored in accordance with the study extension protocol. One year follow-up data in patients from all three groups of this trial will be announced in May 2018.

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 Distinguished Professor 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 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.