



Living Cell Technologies Limited

ACN: 104 028 042

ASX: LCT

OTCQX: LVCLY

ASX ANNOUNCEMENT

Half yearly report ended 31 December 2019

Sydney, Australia & Auckland, New Zealand, 27 February 2020 – Living Cell Technologies Limited today announced the half yearly report for the six months ended 31 December 2019. The report is attached.

The consolidated loss after tax for the half year amounted to \$225,985 (2018 loss: \$1,543,294). This was attributed to.

Research and development cost were similar to last year due to savings from restructuring now being realised. This was offset by milestone payments for Obesity and Migraine novel peptide treatment projects. Administration expenses were similar to last year.

LCT also made a profit of \$1,100,159 from the sale of shares in Semma Therapeutics.

The net assets of the consolidated group have decreased by \$158,743 from \$4,138,491 at 30 June 2019 to \$3,979,748 as at 31 December 2019. The net asset decrease is due to the cash inflow of the sale of shares in Semma Therapeutics and the continued Research and Development expenditure on the milestone payments for Obesity and Migraine novel peptide treatment projects.

The Obesity and Migraine novel peptide treatment projects are progressing as planned. We continue to look for partners/investors for furthering our NTCELL project.

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 4D

Half yearly report

Name of Entity	Living Cell Technologies Limited
ACN	14 104 028 042
Financial Period Ended	31 DECEMBER 2019
Previous Corresponding Reporting Period	31 DECEMBER 2018

Results for Announcement to the Market

Results for Announcement to the Market

	\$	Percentage increase / (decrease) over previous corresponding period
Revenue from ordinary activities	270,009	(24%)
Loss from ordinary activities after tax attributable to members	(225,985)	(85%)
Net loss for the period attributable to members	(225,985)	(85%)
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividends (if any)	N/A	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer Attachment 1.		

The half-yearly report is to be read in conjunction with the most recent annual financial report.

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	0.70 cents per share*	1.01 cents per share

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	n/a
Date control gained	
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	n/a
Date control lost	
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	

Details of Associates and Joint Venture Entities

Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
			\$Nil	\$Nil
Aggregate Share of Net Profits			\$Nil	\$Nil

*Inclusive of the right-of-use asset

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	✓
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: Not Applicable			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: Not Applicable			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	ASX Announcement
2	Consolidated Interim Financial Statements for the 6 months to 31 December 2019

Signed By (Company Secretary)	
Print Name	Mark Licciardo
Date	27 February 2020



Living Cell Technologies Limited

Consolidated Financial Report

31 December 2019

Living Cell Technologies Limited

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Living Cell Technologies Limited

Directors' Report

31 December 2019

The directors present their report, together with the financial statements, on the consolidated entity consisting of Living Cell Technologies Limited (LCT) and its controlled entities for the financial half year ended 31 December 2019.

1. General information

(a) Directors

The names of the directors in office at any time during, or since the end of the half year are:

Names

Bernard Tuch appointed 19th July 2011 and appointed (Interim Chairman) 31st August 2018

Robert Elliott appointed 15th January 2004 and re-elected on 15th November 2018

Laurie Hunter appointed 25th August 2006 and resigned 07 November 2019 and did not seek re-election at the AGM held on the 7th November 2019

Robert Willcocks appointed 29th March 2011 and re-elected on 7th November 2019

Ken Taylor appointed 31 August 2018 and re-elected 7th November 2019

Carolyn Sue appointed on the 16th May 2019 and re-elected 7th November 2019

Andrew Kelly appointed on 7th November 2019

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of joint company secretary at the end of the financial half year ended 31 December 2019:

Mark Licciardo, Elizabeth McGregor resigned on the 20th December 2019

2. Business Review

(a) Operating results

The consolidated loss after tax for the half year amounted to \$225,985 (2018 loss: \$1,543,294). This was attributable to.

Research and development expenditure similar to last year decreased due to restructuring savings now being realised. This was offset by milestone payments for Obesity and Migraine novel peptide treatment projects. Administration expenses were similar to last year.

Profit from the sale of shares in Semma Therapeutics amounting to \$1,100,159

An increase exchange loss has resulted from funds held in NZD weakening against the AUD.

(b) Review of operations

Living Cell Technologies' mission is to improve the wellbeing of people with serious neurodegenerative diseases worldwide by discovering, developing and commercialising regenerative treatments which include naturally occurring cells to restore function.

Living Cell Technologies Limited

Directors' Report

31 December 2019

3. Financial Review

(a) Financial position

The net assets of the consolidated group have decreased by \$158,743 from \$4,138,491 at 30 June 2019 to \$3,979,748 as at 31 December 2019. The net asset decrease is due to the effect of the cash inflow of the sale of shares in Semma Therapeutics and the continued Research and development expenditure on the milestone payments for Obesity and Migraine novel peptide treatment projects.

(b) Cash from operations, investing and financing

Net cash outflow from operating activities increased from \$1,521,557 in the previous period 31 December 2018 to \$2,459,442 due to milestone payments for Obesity and Migraine novel peptide treatment projects.

The investing activities increased due to the cash inflows from the sale of shares in Semma Therapeutics.

(c) Liquidity and funding

As at 31 December 2019 the consolidated group had \$3,477,874 cash in the bank, compared to \$4,907,957 as at 30 June 2019. This balance is projected to allow the planned level of operations to continue for approximately 13 months. The directors acknowledge that the expenditure in relation to operating activities is predominately discretionary. Operating cash outflow is being managed by the directors to the extent of funding available. The directors are also aware that funding streams will have to be in place before year end.

The directors have prepared the report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

4. Other Items

(a) Significant events

(i) 23 July 2019

NTCELL® Parkinson's trial – 2 year data analysis shows successful outcome

The entire data for the two years of the Phase IIb trial of NTCELL® in Parkinson's disease has been extensively analysed by statisticians and other experts. The key parameter used for assessment was motor function in the off state, (when recipients were not taking anti-Parkinsonian medications) with the scoring being the UPDRS standard.

There was a clinically relevant effect observed (<-6.45 points from baseline) in both the 80 and 40 capsule group. The effect of 80 capsules was greater than that of 40 capsules. When the placebo group was included in the analysis, the treatment effect was clinically relevant at weeks 52-104 for the 80 capsule group, and at week 52 for the 40 capsule group.

(ii) 10 September 2019

Notice received under Sections 203D and 249N of the Corporations Act

The Board has received a notice from members under Sections 203D and 249N of the Corporations Act 2001 (Cth) (the Act), that they propose to move resolutions at a general meeting of the Company.

"That Dr Andrew Kelly is appointed as a director of the Company with immediate effect."

"That Dr Roland Toder is appointed as a director of the Company with immediate effect."

"That Robert Willcocks is removed as a director of the Company with immediate effect."

"That Laurie Hunter is removed as a director of the Company with immediate effect."

"That Dr Ken Taylor is removed as a director of the Company with immediate effect."

The members held approximately 5.26% of the Company's shares.

Living Cell Technologies Limited

Directors' Report

31 December 2019

4. Other Items (continued)

(a) Significant events

(i) 18 September 2019

LCT to benefit from Semma Therapeutics acquisition by Vertex

LCT holds 121,995 shares in Semma Therapeutics, worth an anticipated USD 838,105 which would be realised on Vertex Pharmaceuticals Incorporated completing its acquisition of Semma Therapeutics.

Vertex Pharmaceuticals Incorporated has announced that the company has entered into a definitive agreement under which Vertex will acquire Semma Therapeutics. Semma Therapeutics had previously acquired Cytosolv Inc a private company in which LCT obtained a shareholding in 2009 in return for supply of encapsulated pig cells for wound healing studies.

The acquisition closed in the fourth quarter of 2019, subject to certain conditions. The investment had been fully written down in previous periods.

(ii) 27 September

Notice of initial substantial shareholder

Pacific Channel Holdings Limited, Richard Taylor and Brent Ogilvie, Masfen Securities Limited, Terence Roland Harrison and TR Harrison Trustee Limited became a substantial shareholder on 6 September 2019. The shareholder holds 5.26% of voting shares in the company.

(iii) 7 November 2019

Dr Andrew Kelly joins LCT board

At the Annual General Meeting Dr Andrew Kelly was appointed to the board of Living Cell Technologies Limited (LCT) as a non-executive director, effective immediately.

Dr Kelly has an extensive background in research, commercialisation and investment. He has held a dozen board roles over the last 22 years all in businesses involved in life science innovation. Dr Kelly has strong networks across New Zealand and Australia and globally. He holds a PhD in Veterinary Science from the University of Melbourne, a MSc from the University of Saskatchewan and a BVSc (Hons) from the University of Melbourne.

(iv) 20 December 2019

Resignation of Joint Company Secretary

In accordance with ASX Listing Rule 3.16.1 following her resignation from Mertons Corporate Services Pty Ltd (Mertons), Ms Elizabeth McGregor has also resigned as Joint Company Secretary of LCT effective 20 December 2019. Mertons Managing Director Mr Mark Licciardo continues to serve as Company Secretary of LCT.

Living Cell Technologies Limited

Directors' Report

31 December 2019

(b) Auditor's Independence Declaration

The lead auditor's independence declaration as required under section 307c of the Corporations Act 2001 for the half year ended 31 December 2019 has been received and can be found on page 5 of the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors, and is signed for and on behalf of the directors;

Dated at Auckland on the 27th day of February 2020

A handwritten signature in black ink, appearing to be 'BT' followed by a long horizontal stroke.

Director: Bernard Tuch (Chairman)

DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF LIVING CELL TECHNOLOGIES LIMITED

As lead auditor for the review of Living Cell Technologies Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Living Cell Technologies Limited and the entities it controlled during the period.



Gareth Few

Partner

BDO East Coast Partnership

Sydney, 27 February 2020

Living Cell Technologies Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year to 31 December 2019

		31 Dec 2019	31 Dec 2018
	Note	\$	\$
Revenue			
Services provided		3,173	63,966
Grant income		230,011	230,801
Interest		36,825	62,821
Total revenue and other income		270,009	357,588
Expenses			
Research and development		(1,228,777)	(1,305,257)
Governance		(359,626)	(419,087)
Shareholder		(147,966)	(145,345)
Loss on sale of assets		(33,001)	-
Total expenses		(1,769,370)	(1,869,689)
Operating loss		(1,499,361)	(1,512,101)
Foreign exchange loss		(203,706)	(31,193)
Sale of shares		1,100,159	-
Loss before income tax		(602,908)	(1,543,294)
R&D loss tax credit		376,923	-
Income tax expense		-	-
Loss after income tax from continuing operations		(225,985)	(1,543,294)
Other comprehensive income			
Exchange difference on translation of foreign operations		47,136	137,306
Other comprehensive income		47,136	137,306
Total comprehensive income		(178,849)	(1,405,988)
Earnings per share:			
From continuing operations:			
Basic loss per share (cents)	2	(0.04)	(0.27)
Diluted loss per share (cents)	2	(0.04)	(0.27)

The above Statement should be read in conjunction with the accompanying notes and the 30 June 2019 Annual Report.

Living Cell Technologies Limited

Consolidated Statement of Financial Position

As at 31 December 2019

	Note	31 Dec 2019 \$	30 Jun 2019 \$
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents		3,477,874	4,907,957
Trade and other receivables	3	640,628	487,588
Inventories		-	1,058
TOTAL CURRENT ASSETS		4,118,502	5,396,603
NON-CURRENT ASSETS			
Property, plant & equipment		43,967	178,798
Biological assets		100,000	99,047
Right-of-use asset		274,422	
Term deposit to secure lease bond		87,408	85,172
TOTAL NON-CURRENT ASSETS		505,797	363,017
TOTAL ASSETS		4,624,299	5,759,620
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		305,285	1,551,409
Short term provisions		61,062	69,720
Lease Liability		53,147	-
TOTAL CURRENT LIABILITIES		419,494	1,621,129
Lease Liability		225,057	-
NON-CURRENT LIABILITIES		225,057	-
TOTAL LIABILITIES		644,551	1,621,129
NET ASSETS		3,979,748	4,138,491
EQUITY			
Share capital		74,371,070	74,371,070
Reserves		4,192,259	4,125,017
Accumulated losses		(74,583,581)	(74,357,596)
TOTAL EQUITY		3,979,748	4,138,491

The above Statement should be read in conjunction with the accompanying notes and the 30 June 2019 Annual Report.

Living Cell Technologies Limited

Consolidated Statement of Changes in Equity

For the half year to 31 December 2019

31 December 2019

	Ordinary Shares Number	Ordinary Shares \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Total \$
Balance at 1 July 2019	570,815,981	74,371,070	(74,357,596)	3,918,023	206,994	4,138,491
Loss attributable to members of the entity	-	-	(225,985)	-	-	(225,985)
Total other comprehensive income	-	-	-	47,136	-	47,136
Total comprehensive income	-	-	(225,985)	47,136	-	178,849
Transactions with owners in their capacity as owners						
Shares issued during the period	-	-	-	-	-	-
Cost of capital raising	-	-	-	-	-	-
Share-based remuneration	-	-	-	-	24,806	24,806
Exercised options	-	-	-	-	-	-
Expired Options	-	-	-	-	(4,700)	(4,700)
Balance at 31 December 2019	570,815,981	74,371,070	(74,583,581)	3,965,159	227,100	3,979,748

31 December 2018

	Ordinary Shares Number	Ordinary Shares \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Total \$
Balance at 1 July 2018	570,815,981	74,371,070	(71,176,233)	3,780,717	159,769	7,135,323
Loss attributable to members of the entity	-	-	(1,543,294)	-	-	(1,543,294)
Total other comprehensive income	-	-	-	137,306	-	137,306
Total comprehensive income	-	-	(1,543,294)	137,306	-	(1,405,988)
Transactions with owners in their capacity as owners						
Shares issued during the period	-	-	-	-	-	-
Cost of capital raising	-	-	-	-	-	-
Share-based remuneration	-	-	-	-	123,893	123,893
Exercised options	-	-	-	-	-	-
Expired Options	-	-	-	-	(72,188)	(72,188)
Balance at 31 December 2018	570,815,981	74,371,070	(72,719,527)	3,918,023	211,474	5,781,040

The above Statement should be read in conjunction with the accompanying notes and the 30 June 2019 Annual Report.

Living Cell Technologies Limited

Consolidated Statement of Cash Flows

For the half year to 31 December 2019

	31 December 2019 \$	31 December 2018 \$
Cash from operating activities:		
Receipts from customers	47,830	83,304
Payments to suppliers and employees	(2,970,417)	(1,945,222)
Grants and R & D tax credit received	391,747	300,163
Interest received	71,398	40,198
Net cash used in operating activities	(2,459,442)	(1,521,557)
Cash flows from investing activities:		
Proceeds from sale of shares	1,100,159	-
Proceeds from sale of plant and equipment	91,778	(10,322)
Net cash used in investing activities	1,191,937	(10,322)
Cash flows from financing activities:		
Proceeds from issue of shares	-	-
Payment of share issue transaction costs	-	-
Net cash provided by financing activities	-	-
Net decrease in cash and cash equivalents	(1,267,505)	(1,531,879)
Cash and cash equivalents at beginning of period	4,907,957	6,861,663
Exchange rate changes on cash and cash equivalents	(162,578)	92,530
Cash and cash equivalents at the end of the period	3,477,874	5,422,314

The above Statement should be read in conjunction with the accompanying notes and the 30 June 2019 Annual Report.

Living Cell Technologies Limited

Notes to the Consolidated Financial Statements

For the 6 months to 31 December 2019

1 Statement of significant accounting policies

(a) New, revised or amending Accounting Standards and Interpretations adopted

This interim financial report for the half-year ended 31 December 2019 has been prepared in accordance with Corporations Act 2001 and Australian Accounting Standards AASB 134 Interim Financial Reporting.

The financial report covers the consolidated entity of Living Cell Technologies Limited and its controlled entities. The financial report has been presented in Australian dollars, the group's presentation currency. The report consists of the financial statements, notes to the financial statements and the directors' declaration.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report made by Living Cell Technologies Limited for the year ended 30 June 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies have been followed as those applied in the financial report for the year ended 30 June 2019, except for any new, revised or amended accounting standard and interpretation adopted in note 1(b).

(b) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

AASB 16 Leases

The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Living Cell Technologies Limited

Notes to the Consolidated Financial Statements

For the 6 months to 31 December 2019

(b) New, revised or amending Accounting Standards and Interpretations adopted (continued)

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	1 July 2019
	\$
Operating lease commitments as at 1 July 2019 (AASB 117)	243,586
Operating lease commitments discount based on the weighted average incremental borrowing rate of 4% (AASB 16)	(32,584)
Increase in lease-terms (AASB 16)	188,165
Short-term leases not recognised as a right-of-use asset (AASB 16)	(95,859)
Right-of-use assets (AASB 16)	<u>303,308</u>
Lease liabilities - current (AASB 16)	(53,147)
Lease liabilities - non-current (AASB 16)	<u>(225,057)</u>

(c) Going concern

As at 31 December 2019 the consolidated group had \$3,477,874 cash in the bank, compared to \$4,907,957 as at 30 June 2019. This balance is projected to allow the planned level of operations to continue for approximately 13 months. The directors acknowledge that the expenditure in relation to operating activities is predominately discretionary. Operating cash outflow is being managed by the directors to the extent of funding available. The director are also aware that funding streams will have to be in place before yearend.

The directors have prepared the report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

2 Earnings per share

The following reflects the income and share information used in the calculation of basic and diluted earnings per share:

	31 Dec 2019	31 Dec 2018
Earnings used to calculate basic EPS	\$(225,985)	\$(1,543,294)
Weighted average number of ordinary shares outstanding during the year		
No. used in calculating basic EPS	571,440,981	571,440,981
Earnings/(loss) per share (cents)	(0.04)	(0.27)
Diluted earnings/(loss) per share (cents)	(0.04)	(0.27)

Living Cell Technologies Limited

Notes to the Consolidated Financial Statements

For the 6 months to 31 December 2019

3 Trade and other receivables

	31 Dec 2019	30 Jun 2019
	\$	\$
Trade receivables	20,539	19,650
Grant receivable	525,955	241,150
Prepayments	35,638	21,286
Accrued interest	42,428	77,001
Other receivables	16,068	128,501
Total	640,628	487,588

4 Segment reporting

The consolidated entity only operates one business segment being the research and development and product development into living cell technologies, predominantly in New Zealand.

5 Contingent liabilities and contingent assets

The Company issued two bank bonds over the Pig facility lease of \$44,231 (2018: \$43,690), and 23 Edwin Street lease of \$43,177 (2018: nil) both secured by a term deposit.

In the opinion of the directors, the company did not have any other contingencies as at 31 December 2019 (2018: nil)

There have been no unfulfilled conditions and other contingencies attached to government assistance.

6 Company details

Living Cell Technologies Limited
Level 7, 330 Collins Street
Melbourne, VIC 3000

The principal place of business is:
Unit 107
23 Edwin Street
Mt Eden 1024
Auckland, New Zealand

Living Cell Technologies Limited

Directors' Declaration

The directors of Living Cell Technologies limited declare that:

- (a) The financial statements and notes, as set out on pages 6 to 12 are in accordance with the Corporations Act 2001 including that they:
 - (i) give a true and fair view of the financial position as at 31 December 2019 and the performance for the half year ended on that date of the consolidated entity; and
 - (ii) comply with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory reporting requirements.
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors, and is signed for and on behalf of the directors;

Dated at Auckland on the 27th day of February 2020

A handwritten signature in black ink, appearing to be 'BT' followed by a long horizontal stroke.

Director Bernard Tuch (Chairman)

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Living Cell Technologies Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Living Cell Technologies Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards

and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

A stylized, handwritten signature of the BDO East Coast Partnership, appearing as 'BDO' in a cursive script.A handwritten signature in cursive script that reads 'Gareth Few'.

Gareth Few
Partner

Sydney, 27 February 2020