

Chairman's Address to the 2021 Annual General Meeting

Now for the chairman's address.

Thank you all for making the time to join the meeting today. The past 12 months have been challenging for all of us, both with COVID-19 restrictions and the search for new projects for the Company to support. We have met with at least six medical biotechnology companies each with a product that we thought would be consistent with the long term goals of LCT. We narrowed the field down to two possible contenders and ranked these according to how they fitted in with the existing structure of LCT. In both cases, we had to go out and fundraise.

In our search for a suitable broker, we explored far and wide in Australia from large firms to more niche ones. A number of our major shareholders kindly shared their experiences and connections to assist us in this endeavour.

During this search we were approached by a relatively new broker on the scene as part of its marketing campaign. This was 180 Markets, based in Melbourne. Whilst it could not assist with our original request to raise funds because of a licensing issue, 180 Markets did agree to assist the Company in finding investors to support the initial funds needed to set up a third clinical trial with NTCELL.

Shaun Factor, Ariella Grunfeld and their colleagues have done an amazing job in raising \$3.5 million virtually overnight. And there is the rights issue available to existing shareholders to come.

NTCELL

I will cover the proposed third clinical trial for early to mid-stage Parkinson's disease in greater depth in my presentation as Interim CEO at the end of the Meeting. Suffice to say that we at LCT are excited about the prospect of such a trial, likely in Sydney, with larger numbers of recipients than in the previous two clinical trials.

OTHER ENDEAVOURS

Alongside setting up the infrastructure required for a third clinical trial, LCT is also looking at other opportunities in living cells for the treatment of medical disorders, especially those that might provide a financial return to the company before the outcome of the NTCELL trial can be known. But all in good time. Our first goal is to secure funding for the trial.

DIABECCELL

We understand that Diatranz Otsuka Limited continues its research progress in the USA, with a view to progressing towards a clinical trial for treatment of type 1 diabetes. LCT has an agreement to receive a 5 percent royalty on any eventual product sales that utilize the Immupel encapsulation system of LCT.

Long-acting peptides for Migraine and Obesity

LCT has been working with the University of Auckland for the past few years to develop drugs that could be administered once a day for the treatment of two disorders, obesity and migraine. Despite having an excellent team at the University, it was not to be. For financial reasons, we concentrated on the one project, namely treatment of migraine, but could not achieve the desired target. Accordingly, in March this year, we terminated our arrangement with the University.

BOARD UPDATE

We were saddened in August last year on the sudden passing of our founding Director, Sir Bob Elliott. He had a long innings and contributed in multiple ways to the direction and management of the company. This started in 1987 when he created the company (initially called Diatranz) with businessman and entrepreneur David Collinson. Bob was ever optimistic, and full of ideas of how LCT might better itself. He will be missed.

A further change to the Board was the retirement of our CEO and executive Board Member, Dr Ken Taylor, in mid-July. Ken became CEO of the company in July 2014 and joined the board in 2018 leading it during the earlier clinical trials with NTCELL.

Nothing seemed to faze him, or at least that is how it seemed, and he was a consummate professional. Ken was able to put his pharmaceutical background and international connections to good effect as and when required. Despite the travel restrictions of a global pandemic, he continued to engage with his extensive network via online meetings, exploring opportunities for collaboration and research.

Ken's connections with high-net-worth individuals in New Zealand were critical in fund raising, at a time when the second NTCELL clinical trial needed an injection of capital. It was Ken's contacts at the University of Auckland which led to LCT pursuing long acting peptides as a therapy for migraine and obesity, when it became apparent that NTCELL could not readily be commercialized.

The Board is most appreciative of Ken's contribution to the company. We hope he enjoys spending more time with his family in retirement.

Now that the third trial of NTCELL is proceeding LCT is actively recruiting for a new COO/interim CEO to lead the clinical trial and secure further partnership opportunities.

THANKS

I would like to thank the dedicated staff at LCT who continue to be loyal to the company. They have been flexible in working from home during COVID-19 restrictions, as well as responding to the numerous vagaries and needs of the company.

Our CFO, Daya Uka, is the brains behind the management of many of our financial deals and service contracts.

Following the termination of the contracts with the University of Auckland the Board took the difficult decision to make the COO role redundant. This resulted in the departure of Dr Janice Lam in August after more 11 years with LCT. Janice oversaw manufacturing NTCELL during our clinical trials. The board is extremely grateful to Janice for her dedication and commitment.

I would also like to thank our support companies, Merton's Corporate Services which provides ASX knowledge and secretarial support, Rachael Joel from Botica Butler Raudon

Partners which handles our Public Relations, and Gavin Robertson of Macpherson Kelley for commercial legal services. It is comforting to be able to draw on their experience and expertise whenever their assistance is required.

We at LCT work as a team, and I am delighted at the contributions of my fellow Board members, Robert Willcocks, Dr Andrew Kelly, Professor Carolyn Sue and before mid-July Dr Ken Taylor. Each has a different skillset, whether in business or academia, making for robust debates as they contribute with their different areas of expertise.

Finally let me thank you, our shareholders for your ongoing support, despite the uncertainties facing the company. We hope that your patience will eventually be rewarded.

Bernie Tuch

Interim Executive Chairman