



## Living Cell Technologies Limited

**ACN:** 104 028 042

**ASX:** LCT

**OTCQB:** LVCLY

### ASX ANNOUNCEMENT

## Chairman's Letter to Shareholders

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**Sydney, Australia & Auckland, New Zealand - 12 October 2022** – Living Cell Technologies (ASX:LCT; OTCQB:LVCLY) provides the following update by Executive Chairman, Professor Bernie Tuch, regarding the 2022 Annual General Meeting of shareholders, to be held from 2pm AEDT on Thursday, 10 November 2022.

Please refer to the attached statement by Professor Tuch.

Any questions may be directed to the LCT shareholder information line, by calling 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Authorised for release by the Board of Living Cell Technologies Limited.

– Ends –

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

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### About Living Cell Technologies

Living Cell Technologies Limited (ASX:LCT) is an Australasian biotechnology company that is focused on discovering and developing novel treatments for debilitating conditions such as diabetes and Parkinson's disease.

LCT is listed on the Australian (ASX:LCT) and US (OTCQB:LVCLY) stock exchanges. The Company is incorporated in Australia, with its operations based in Australia and New Zealand.

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

### 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.

## Chairman's Letter to Shareholders

### **The Future of Your Company is at Stake in this Year's AGM** **Vote to protect your investment in Living Cell Technologies**

All the Directors of Living Cell Technologies recommend the following:

**VOTE in FAVOUR of Resolutions 1-6**

**VOTE AGAINST Resolutions 7-12**

#### **Why LCT Needs Your Vote:**

- **Neither of the requisitioning shareholders' proposed nominee directors have any experience either as directors of a listed public company or in medical cellular biotechnology**
- **The proposal by the requisitioning shareholders will see them gain control of the LCT Board. Their proposed Board structure would give them a majority of the Board, despite owning only 5.32% of the Company's capital**
- **Despite substantial market volatility, LCT's share price has increased substantially in calendar 2022 as the Company has executed its strategy for the NTCELL project, including:**
  - **Appointing new senior management (COO, Dr Belinda Di Bartolo) to oversee the NTCELL project**
  - **Securing a reliable source of cells for the third clinical trial of NTCELL in Parkinson's disease**
  - **Securing high class facilities at UTS, Sydney for NTCELL research and development**
  - **Bringing in artificial intelligence technology (OptiCellAI) to enable higher quality cell manufacturing for the NTCELL project**
  - **Obtaining approvals for tissue to be imported to Australia, for NTCELL's manufacture in Sydney.**
- **The current LCT Board has achieved significant milestones for NTCELL and has the necessary biotechnology and medical research knowledge to carry the Company forward and continue the third clinical trial. The requisitioning shareholders have not communicated a clear plan for NTCELL or the Company's future.**

**PLEASE READ AND ACT ON THE FOLLOWING INFORMATION**

Dear Fellow Shareholder

I am writing on behalf of the Board to seek your support in the upcoming Annual General Meeting of 10 November 2022. Your vote is **extremely important** as this year's AGM could decide the future of your Company.

At the Meeting, the requisitioning shareholders (collectively, EZR Systems Pty Ltd, Cipater Pty Ltd, Union Square Capital Pty Ltd and Ellaz Pty Ltd) are proposing changes which will see them gain control of the LCT Board with only 5.32% of the Company's capital. This means they will have significant control over the Board, despite their small interest.

The requisitioning shareholders are seeking to appoint two nominees, David Hainsworth and Bradley Dilkes as Directors, and remove current LCT Directors, Professor Bernie Tuch, Dr Andrew Kelly and Robert Willcocks.

Should the requisitioning shareholders succeed, it would result in a Board comprising its representatives, Mr Hainsworth and Mr Dilkes, together with current LCT Director, Professor Carolyn Sue. A previously independent board, considered best practice by the ASX, would be replaced by a Board controlled by a minority shareholder and lacking substantial knowledge or experience in LCT or the biotechnology sector.

The requisitioning shareholders' proposed directors have no experience as directors of a listed public company or in medical cellular biotechnology. They do not possess the critical experience required to ensure clinical trials are progressed towards commercialisation. Further, the requisitioning shareholders have not articulated any clear plan for our Company or our key NTCELL project.

The current LCT Board has achieved a number of key milestones for NTCELL and is best qualified to continue the third clinical trial of NTCELL in Parkinson's disease, a project with the potential to benefit millions of people worldwide.

Shareholders need an independent Board to protect their interests and continue our NTCELL project.

Your Board has a track record of delivering on milestones, as shown below.

### **Recent milestones**

Following successful fund-raising, your Board has delivered a number of milestones:

- Appointed experienced health and medical researcher, Dr Belinda Di Bartolo, as Chief Operating Officer to oversee the NTCELL project
- Signed a Service Agreement with New Zealand biotech NZeno, to obtain tissue from pathogen-free pigs for the third clinical trial
- Signed a Research Agreement with UTS and the Australian Foundation for Diabetes Research, enabling university facilities to be used for NTCELL research and development in Sydney
- Reached agreement with Sydney-based start-up, OptiCellAI, to enable the benefits of artificial intelligence to be applied to the NTCELL project, with the first stage already completed
- Obtained the necessary approvals for choroid plexus tissue to be imported to Australia, for NTCELL's manufacture in Sydney.

## **Response to Letter by Requisitioning Shareholders**

I would also like to comment on the statements made by the requisitioning shareholders in their Section 249P statement.

### **1) Share price performance**

LCT's share price has risen by over 100% in calendar 2022, outperforming its peers during a period of considerable market volatility and global share market downturn.

During fiscal 2022, expenditure on R&D was delayed while funds were being raised. Once funding was secured in October 2021, LCT immediately resumed the third clinical trial of NTCELL in Parkinson's disease.

### **2) Project diversification**

Considerable research was undertaken during 2021 to identify the best possible path forward to deliver increased shareholder value. Following the securing of funding, LCT relaunched the NTCELL project, which is showing favourable progress.

LCT is conscious of the need for diversification and the Board remains open to engaging in new projects that will deliver shareholder value, as seen by previous research in areas including diabetes, migraine and obesity. The Board has the necessary background in biotechnology to ensure it can properly assess diversification opportunities.

### **3) Board's shareholding**

The Board of LCT is fully aligned with the interests of all other shareholders in seeking to generate increased shareholder value.

LCT Directors have shown their confidence in the Company's future by acquiring additional shares during 2022.

### **4) First Class Team**

The requisitioning shareholders have nominated two proposed directors without any experience as directors of an ASX-listed company or in the field of cellular biotechnology. Despite seeking control of the Company, the requisitioning shareholders have failed to clearly state any new plan for NTCELL or the Company's future.

LCT shareholders are being asked to appoint two new directors, who will have a majority on the Board, with no guarantee as to the future direction of the Company.

LCT's Board remains open to engaging with the requisitioning shareholders, with the interests of all shareholders as a priority.

LCT continually engages with stakeholders in the scientific and medical community as well as investors, with such engagement having increased during 2022. This reflects the relaunch of the NTCELL project.

Current Directors have significant experience in the biotechnology and medical fields. Such experience and knowledge of the Company, including xenotransplantation, is absolutely vital and cannot easily be replaced.

We strongly believe that the current independent Board is best placed to drive LCT's future success.

Accordingly, I urge you to **VOTE IN FAVOUR of resolutions 1-6** and **AGAINST resolutions 7-12**.

I will be presenting at the AusBioInvest conference on 27 October 2022 in Perth, accompanied by fellow director Dr Andrew Kelly. We look forward to meeting any LCT shareholders attending the event.

Thank you for your support.

Professor Bernie Tuch  
Executive Chairman