

The Manager  
Company Announcements Office  
ASX Limited

## JUNE QUARTER 2017 APPENDIX 4C

**Adelaide, Australia, 10 July 2017:** Australian medical technology company LBT Innovations Limited (ASX: LBT) wishes to announce its fourth quarter cash flow report for the year ended 30 June 2017.

Key points regarding Appendix 4C:

- Cash at the end of June 2017 \$3.5 million (a decrease of \$2.8 million on the balance at the end of March 2017)
- Estimated cash outflows for the next quarter (Appendix 4C, item 9): \$3.17 million. The estimated cash outflows will be funded by available cash together with the following expected cash receipts:
  - \$500,000 received from the issue of the Share Purchase Plan (SPP), announced to the market on 7 July 2017
  - We are currently preparing our R&D tax claim, and expect to receive a payment of more than \$1.9 million within the Q1 F'18 period

The company's expenditure has delivered rapid progression in the achievement of important milestones which were delivered during the quarter:

- ✓ Showcased APAS® Independence working instrument at the American Society of Microbiology meeting, New Orleans USA, garnering positive feedback from industry and end customers
- ✓ Appointment of artificial intelligence expert and entrepreneur Matthew Michalewicz as Non-executive Director; bringing relevant experience to complement LBT's core machine learning platform
- ✓ LBT appointed distributor for Australia and New Zealand and declaring that Australia will be the first global launch market for APAS® Independence
- ✓ St Vincent's Hospital Melbourne announced as the first trial site for APAS® Independence starting in September 2017
- ✓ CE Mark self-certification finalised for APAS®, de-risking the regulatory pathway for Europe
- ✓ WoundVue™ prototype device completed

It's exciting to start the new fiscal year with positive momentum, where the company expects to further finalise various engineering activities ahead of placing APAS® Independence at St Vincent's Hospital in September 2017. This is an independent trial performed by St Vincent's Hospital where we hope to provide preliminary feedback in October/November 2017. It is also expected that distribution partners will be announced for strategic global markets in September/October 2017.

With the first WoundVue™ prototype device now completed, it is expected that a clinical partner will be announced during the quarter, who will use the device in a clinical setting. The development of WoundVue™ originates from the principles behind LBT's APAS® platform, and having the device used in a clinical setting will facilitate continued development of the machine learning platform for chronic wounds.

– ENDS –



### About LBT Innovations

LBT Innovations (LBT) improves patient outcomes by making healthcare more efficient. Based in Adelaide, South Australia, the Company has two world class-leading products in microbiology automation: MicroStreak®, which provides automated culture plate streaking and Automated Plate Assessment System (APAS®). Based on LBT's intelligent imaging and interpretative software, US FDA-cleared APAS® automates imaging, analysis and interpretation of culture plates following incubation. LBT has entered into a joint venture Clever Culture Systems AG (CCS) with Hettich Holding Beteiligungs- und Verwaltungs-GmbH to commercialise APAS® products. LBT's third product WoundVue® is in early development; this is a proposed automated solution to assist in the management of chronic wounds.

### CONTACTS

<b>LBT Innovations</b>	<b>Media Relations</b>
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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

LBT Innovations Ltd

**ABN**

95 107 670 673

**Quarter ended ("current quarter")**

June 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A</b>	<b>Year to date (....12...months) \$A</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(123,831)	(557,068)
(b) product manufacturing and operating costs	(1,054,109)	(3,596,344)
(c) advertising and marketing	(1,624)	(29,354)
(d) leased assets		
(e) staff costs	(243,546)	(1,084,046)
(f) administration and corporate costs	(71,551)	(415,097)
1.3 Dividends received (see note 3)		
1.4 Interest received	22,332	100,193
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	52,336	1,225,837
1.8 Other:		
Reimbursement of expenses from JV Company, Clever Culture Systems	1,458,066	3,984,705
Royalty Expenses	0	(285,420)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>38,073</b>	<b>(656,594)</b>

Consolidated statement of cash flows		Current quarter \$A	Year to date (....12...months) \$A
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(27,801)	(43,251)
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property (APAS)	(1,441,134)	(4,627,278)
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities	(1,370,848)	(2,804,875)
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,839,783)</b>	<b>(7,475,404)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	0	7,001,347
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options	0	446,050
3.4	Transaction costs related to issues of shares, convertible notes or options	(7,582)	(498,742)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(7,582)</b>	<b>6,948,655</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A</b>	<b>Year to date (....12...months) \$A</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	6,305,995	4,682,303
4.2	Net cash from / (used in) operating activities (item 1.9 above)	38,073	(656,594)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,839,783)	(7,475,404)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7,582)	6,948,655
4.5	Effect of movement in exchange rates on cash held	925	(1,332)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>3,497,628</b>	<b>3,497,628</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A</b>	<b>Previous quarter \$A</b>
5.1	Bank balances	1,146,145	1,220,995
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (Term Deposits)	2,351,483	5,085,000
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,497,628</b>	<b>6,305,995</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	224,342
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	0
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 6.1 includes remuneration paid to the Directors including remuneration paid to the Chief Executive Officer. The current quarter also includes \$123,087 paid to Popper & Co, an associate of LBT's director Caroline Popper, for WoundVue® market research.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A
7.1 Aggregate amount of payments to these parties included in item 1.2	0
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
8.1 Loan facilities	0	0
8.2 Credit standby arrangements	40,000	25,443
8.3 Other (please specify)	0	0
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Item 8.2 is a corporate credit card facility which is paid off in full each month.

9. <b>Estimated cash outflows for next quarter</b>	\$A
9.1 Research and development	(225,000)
9.2 Product manufacturing and operating costs	(285,834)
9.3 Advertising and marketing	(8,100)
9.4 Leased assets	
9.5 Staff costs	(259,276)
9.6 Administration and corporate costs	(136,097)
9.7 Other (intellectual property APAS)	(987,176)
Other (Loan to Clever Culture Systems (LBT's Joint Venture Company)	(1,251,018)
Capital Expenditure	(20,734)
<b>9.8 Total estimated cash outflows</b>	<b>(3,173,235)</b>

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  .....Date: 10 July 2017  
(Director/Company secretary)

Print name: ....Dan Hill.....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.