

The Manager
Company Announcements Office
ASX Limited

SEPTEMBER QUARTER 2017 APPENDIX 4C

Adelaide, Australia, 31 October 2017: LBT Innovations Ltd (ASX: LBT) announces its first quarter cash flow report for the year ending 30 June 2018.

Highlights:

- Cash at the end of September 2017 \$2.47 million (a decrease of \$1.02 million on the balance at the end of June 2017).
- Estimated gross cash outflows for the next quarter (Appendix 4C, item 9): \$7.80 million.
 - Forecast costs are higher than usual as LBT and LBT's joint venture company, Clever Culture Systems AG, prepare for first sales from January 2018.
 - Primarily these costs relate to the finalisation of APAS Independence development work, verification and validation, establishment of services support, establishment of spare parts manufacturing, and initial marketing & sales activities. It is not expected that the cash burn rate will continue at these high levels, as they relate to once off development costs required to bring an instrument to market for sale.
- The estimated cash outflows of \$7.80 million will be funded by available cash of \$2.47 million together with the following cash receipts:
 - \$4.22 million Net R & D tax claim received in October 2017 (announced on 9 October 2017).
 - \$2.37 million net reimbursement of expenses expected from LBT's joint venture company, Clever Culture Systems AG.
- In addition, LBT expects to receive \$2 million through the placement of shares with China-based Autobio Diagnostic Co., Ltd. Funds are expected to be received by LBT within 25 business days of the ASX announcement on 27 October 2017.

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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

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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")

September 2017

Consolidated statement of cash flows	Current quarter \$A	Year to date (....3...months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	(372,176)	(372,176)
(c) advertising and marketing	(7,788)	(7,788)
(d) leased assets	0	0
(e) staff costs	(308,213)	(308,213)
(f) administration and corporate costs	(115,091)	(115,091)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	26,197	26,197
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other:		
Reimbursement of expenses from JV Company, Clever Culture Systems	745,658	745,658
1.9 Net cash from / (used in) operating activities	(31,413)	(31,413)

Consolidated statement of cash flows		Current quarter \$A	Year to date (....3...months) \$A
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(25,120)	(25,120)
	(b) businesses (see item 10)	0	0
	(c) investments	0	0
	(d) intellectual property (APAS)	(697,353)	(697,353)
	(e) other non-current assets	0	0
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	0	0
	(b) businesses (see item 10)	0	0
	(c) investments	0	0
	(d) intellectual property	0	0
	(e) other non-current assets	0	0
2.3	Cash flows from loans to other entities	(745,658)	(745,658)
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	Net cash from / (used in) investing activities	(1,468,131)	(1,468,131)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	499,995	499,995
3.2	Proceeds from issue of convertible notes	0	0
3.3	Proceeds from exercise of share options	0	0
3.4	Transaction costs related to issues of shares, convertible notes or options	(23,842)	(23,842)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	476,153	476,153

Consolidated statement of cash flows		Current quarter \$A	Year to date (....3...months) \$A
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,497,628	3,497,628
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(31,413)	(31,413)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,468,131)	(1,468,131)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	476,153	476,153
4.5	Effect of movement in exchange rates on cash held	(77)	(77)
4.6	Cash and cash equivalents at end of quarter	2,474,160	2,474,160

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A	Previous quarter \$A
5.1	Bank balances	1,156,111	1,146,145
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (Term Deposits)	1,318,049	2,351,483
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,474,160	3,497,628

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A**

153,711

0

Item 6.1 includes remuneration paid to the Directors including remuneration paid to the Chief Executive Officer.

7. Payments to related entities of the entity and their associates	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	(745,658)
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Loan to Clever Culture Systems AG; a joint venture company that is owned 50/50 between LBT Innovations and Hettich Holding Beteiligungs- und Verwaltungs-GmbH.

8. Financing facilities available <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	16,620
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. Estimated cash outflows for next quarter	\$A
9.1 Research and development	(247,500)
9.2 Product manufacturing and operating costs	(4,045,341)
9.3 Advertising and marketing	(22,813)
9.4 Leased assets	
9.5 Staff costs	(208,539)
9.6 Administration and corporate costs	(241,200)
9.7 Other (intellectual property APAS)	(838,287)
Other (Loan to Clever Culture Systems (LBT's Joint Venture Company)	(2,143,854)
Capital Expenditure	(54,050)
9.8 Total estimated cash outflows	(7,801,584)

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: 
(Director/Company secretary)

Date: 31 October 2017

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.