

**LBT INNOVATIONS LIMITED**  
**ACN 95 107 670 673**

## **NOTICE OF ANNUAL GENERAL MEETING**

**to be held at**

**Date:** Wednesday 28 November 2018

**Time:** 11:00am (Adelaide time)

**Place:** Thomson Geer Lawyers, Level 7, 19 Gouger Street, Adelaide, South Australia, 5000

**This is an important document and requires your attention**

If you are in any doubt about how to deal with this document, please consult your legal, financial or other professional advisor.

## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that an Annual General Meeting of LBT Innovations Limited ACN 107 670 673 (**Company**) will be held at 11:00am (Adelaide time) on Wednesday 28 November 2018 at Thomson Geer Lawyers, Level 7, 19 Gouger Street, Adelaide, South Australia.

## AGENDA

### **1. To receive and consider the financial report and the reports of the directors and of the auditor for the financial year ended 30 June 2018.**

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To receive and consider the Financial Report, Director's Report and Independent Audit Report for the Company for the financial year ended 30 June 2018.

### **2. Company performance and prospects**

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To receive information from the Chief Executive Officer and Managing Director about the Company's performance and future prospects.

### **3. Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2018**

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To consider and if thought fit, to pass the following resolution as a non-binding ordinary resolution under section 250R(2) of the Corporations Act 2001:

*'That the Remuneration Report for the year ended 30 June 2018 be adopted.'*

- Notes:
- (1) *This resolution is advisory only and does not bind the Company or the directors.*
  - (2) *If 25% or more of votes that are cast are voted against the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election.*

#### Voting Exclusion Statement

The Company will disregard any votes cast (in any capacity) on Resolution 1 by any Key Management Personnel, the details of whose remuneration are included in the Remuneration Report, and any Closely Related Party of such Key Management Personnel.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the Chair of the meeting is appointed as proxy and the proxy form expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

#### **4. Resolution 2 – Re-election of Kate Costello as a director**

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To consider and if thought fit, to pass the following resolution as an ordinary resolution:

*‘That Kate Costello, who retires in accordance with clause 20.2 of the Company’s Constitution, and being eligible to stand for re-election as a director of the Company, be re-elected as a director of the Company.’*

#### **5. Resolution 3 – Re-election of Caroline Popper as a director**

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To consider and if thought fit, to pass the following resolution as an ordinary resolution:

*‘That Caroline Popper, who retires in accordance with clause 20.2 of the Company’s Constitution, and being eligible to stand for re-election as a director of the Company, be re-elected as a director of the Company.’*

#### **6. Resolution 4 – Ratification of prior Issue of Securities to non-related parties**

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To consider and if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior allotment, issue and placement on 12 March 2018 of 25,164,711 fully paid ordinary shares in the Company, to the non-related parties on the terms and conditions specified in the Explanatory Memorandum."*

##### Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4 by any person issued placement Securities and any associate of such persons.

However, a person described above may cast a vote on Resolution 4 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the Chair of the meeting is appointed as proxy and the proxy form expressly authorises the Chair to exercise the proxy.

#### **7. Resolution 5 – Approval of a 10% Placement Facility**

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To consider and if thought fit, to pass the following resolution as a special resolution:

*‘That, for the purposes of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities comprising up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.’*

##### Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 5 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their associates. However, the

Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Dated: 17 October 2018**  
**By order of the Board**



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Dan Hill  
Company Secretary

## NOTES

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- 1 The Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the share register at 7:00pm (Adelaide time) Monday 26 November 2018 Accordingly, those persons are entitled to attend and vote at the meeting.
- 2 If you are eligible, you may vote by attending the meeting in person or by proxy or attorney. A member who is a body corporate may appoint a representative to attend and vote on its behalf.
- 3 To vote by proxy, please complete, sign and return the enclosed proxy form in accordance with the following instructions. If you require an additional proxy form, the Company will supply it on request.
- 4 A member who is entitled to vote at the meeting, may appoint one proxy if the member is only entitled to one vote or one or two proxies if the member is entitled to more than one vote. A proxy need not be a member of the Company.
- 5 Where the member appoints 2 proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.
- 6 The proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be executed in accordance with the Corporations Act and the constitution of that corporation.
- 7 To be effective, the proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the meeting or any adjourned meeting (or such lesser period as the Directors may permit):

By mail c/- Computershare Investor Services Pty Limited  
GPO Box 242, Melbourne, Victoria 3001

Online: [www.investorvote.com.au](http://www.investorvote.com.au)

Proxies may also now be lodged electronically by casting votes online by following the prompts at [www.investorvote.com.au](http://www.investorvote.com.au). To use this facility, you will need your holder number (SRN or HIN), postcode and control number as shown on the proxy form. You will have been taken to have signed the proxy form if you lodge it in accordance with the instructions on the website.

Intermediaries/Custodians can vote online by visiting  
[www.intermediaryonline.com](http://www.intermediaryonline.com) (subscribers only).

By facsimile to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).
- 8 Any proxy form received after this deadline including at the meeting will be treated as invalid.
- 9 Except in relation to resolutions connected directly or indirectly with the remuneration of a member of the key management personnel of the Company, unless a shareholder specifically directs a proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting.
- 10 Any undirected proxies held by the other directors or any other key management personnel or their closely related parties will not be voted on resolutions connected directly or

indirectly with the remuneration of a member of the key management personnel of the Company.

- 11 Subject to the following paragraph, if a shareholder appoints the chairman of the meeting as the shareholder's proxy and does not specify how the chairman is to vote on an item of business, the chairman will vote, as proxy for that shareholder, in favour of that item on a poll.
- 12 If a shareholder wishes to appoint the chairman as proxy and does not specify how the chairman is to vote on resolutions connected directly or indirectly with the remuneration of a member of the key management personnel of the company, the shareholder must expressly authorise the chairman to exercise the vote in respect of that matter. If the shareholder does not so expressly authorise the chairman to vote how the chairman wishes in respect of that matter, the chairman may not exercise the proxy vote in respect of that matter. Shareholders are urged to read the directions on the proxy form carefully, especially if intending to appoint the chairman of the meeting as proxy.
- 13 Key management personnel of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2018. Their closely related parties are defined in the *Corporations Act 2001*, and include certain members of their family, dependents and companies they control.

## EXPLANATORY MEMORANDUM

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This explanatory memorandum has been prepared to assist shareholders with their consideration of the resolutions to be put to the Annual General Meeting to be held on Wednesday 28 November 2018. These explanatory notes should be read with, and form part of, the accompanying Notice of Annual General Meeting.

### 1. To receive and consider the financial report and the reports of the directors and of the auditor for the financial year ended 30 June 2018.

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The LBT Innovations Limited Annual Report 2018 (which includes the financial report, the directors' report and the auditor's report) will be presented to the meeting.

There is no requirement for shareholders to approve these reports. However, the chairman of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the management of the Company. Shareholders will be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the Auditor's Report.

A copy of the Annual Report has been sent to shareholders (where requested) and is also available on the Company's website at [www.lbtinnovations.com](http://www.lbtinnovations.com).

### 2. Company performance and prospects

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The Chief Executive Officer and Managing Director will be presenting about the Company's performance and future prospects.

### 3. Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2018

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The Remuneration Report of the Company for the financial year ended 30 June 2018 is set out in the Company's 2018 Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for directors, including the Managing Director, and the Company's staff. The chairman of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the Remuneration Report at the meeting. In addition, shareholders will be asked to vote on the Remuneration Report.

The resolution is advisory only and does not bind the Company or its directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

No member of the key management personnel or closely related party of the key management personnel may vote on Resolution 1.

Any undirected proxies held by the other directors or any other key management personnel or their closely related parties will not be voted on Resolution 1.

Any undirected proxies held by the chairman may only be voted by the chairman in the event that the proxy form does not direct the chairman how to vote, but expressly authorises the chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Adoption of Remuneration Report) by marking either "**For**", "**Against**" or "**Abstain**" on the Voting Form for that item of business. Please read the directions on the proxy form carefully, especially if you intend to appoint the Chairperson as your proxy.

Under the Corporations Act 2001, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill' resolution) that another meeting be held within 90 days at which all

of the Company's directors (other than the Managing Director) must go up for re-election. At the last AGM, the Remuneration Report was adopted and did not receive 25% or more votes cast against its adoption.

***The directors unanimously recommend that you vote in favour of this resolution.***

#### **4. Resolution 2 – Re-election of Kate Costello as a director**

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Kate Costello was appointed to the Board on 12 August 2005 and in accordance with clause 20.2 of the Company's Constitution retires and is eligible for re-election as a director.

Kate was in management with a commercial law firm before establishing a management consultancy. Kate has over 20 years' experience in corporate governance and strategy through her consulting work with the boards of client organisations, her directorships and her previous involvement as a facilitator in the Company Directors' Course offered by the Australian Institute of Company Directors.

Kate's board experience includes directorships of the South Australian Totalisator Agency Board, Australian Central Credit Union Ltd, Festival City Broadcasters Ltd and Integrated Research Ltd and chairmanship of Saab Intelligent Transport Systems Ltd and Bassett Consulting Engineers.

***The directors unanimously recommend that you vote in favour of this resolution.***

#### **5. Resolution 3 – Re-election of Caroline Popper as a director**

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Caroline Popper was appointed to the Board on 15 March 2012 and in accordance with clause 19.4 of the Company's Constitution retires and is eligible for re-election as a director.

Caroline is a USA-based pathologist and business consultant, with more than 25 years' operational experience in the international diagnostics, medical devices and digital health fields.

A qualified health economist, Caroline has served in senior managerial and advisory positions at a number of global diagnostics and medical research companies, including Becton Dickinson, bioMérieux and MDS Proteomics.

Caroline established her own consultancy, Popper and Company, in 2003 to provide strategic corporate and advisory services to businesses across the life sciences spectrum. Popper and Company is a strategy and M&A advisory firm focused on diagnostics, medical devices, life science tools and digital health applications. The firm has deep expertise in evaluating the value created in healthcare by innovative products and services. This economic analysis is the basis of partnership and pricing strategies. Caroline's other directorships include BioAgilytix and Diversigen. Prior companies she was recently involved with have been acquired by Quintiles (Pilgrim Solutions), GE (Applied Precision), and Agilent (Lasergen).

***The directors unanimously recommend that you vote in favour of this resolution.***

#### **6. Resolution 4 – Ratification of prior issue Securities to non-related parties**

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The issue of the placement Securities occurred on 12 March 2018, comprising the issue of 25,164,711 fully paid ordinary Shares in the Company. The Company issued Securities using its existing placement capacity under Listing Rule 7.1 for 17,426,712 fully paid ordinary shares and using its additional placement capacity under Listing Rule 7.1A for 7,737,999 fully paid ordinary shares.

Resolution 4 proposes that Shareholders ratify the allotment and issue of placement Securities to the non-related parties.

ASX Listing Rule 7.1 provides that a listed entity must not issue equity securities that total more than 15% of its fully paid ordinary shares in a 12 month period without the approval of shareholders. ASX Listing



Rule 7.1A, as approved by Shareholders on 29 November 2017, allows an entity to issue an additional 10% of its fully paid ordinary shares in the 12 months following approval by Shareholders.

Under ASX Listing Rule 7.4, the issue of securities made without shareholder approval is regarded as having been made with shareholder approval, if the issue did not breach ASX Listing Rule 7.1 and shareholder approval is obtained after the issue.

Whilst the issue of the placement Securities did not exceed the 15% annual limit, nor the additional 10% capacity under ASX Listing Rule 7.1A, the passing of Resolution 4 will ensure that ASX Listing Rule 7.1 does not limit the Company's ability to issue any further equity securities within the 15% annual limit prescribed in the ASX Listing Rules in the next 12 months.

If the Resolution 4 is not passed then the placement Securities will be issued as part of the Company's 15% placement capacity and the Company will be considerably restricted from issuing further securities over the 12 month period following the issue of the placement Securities, unless an exception to Listing Rule 7.1 applies or Shareholder approval is obtained.

#### Information required by ASX Listing Rule 7.5

The information required by ASX Listing Rule 7.5 in respect of the placement Securities is set out below:

(i) Number of placement Securities issued:

The placement Securities issued comprised 25,164,711 fully paid ordinary shares in the Company.

Price at which the placement Securities were issued:

The issue price of each Share was \$0.15 per Share.

(ii) Terms of the placement Securities:

The Shares were issued as fully paid ordinary shares in the capital of the Company and on the same terms as the Company's existing Shares.

(iii) Names of the allottees or the basis on which allottees were determined:

The placement Securities were issued and allotted to various sophisticated and professional investors, identified by our joint managers, Hawkesbury Partners and PAC Partners.

(iv) Intended use of the funds raised:

The allotment and issue of the placement Securities raised \$3,774,070, which will be used by the Company to fund:

- The commercial launch and development of the APAS instrument;
- Product extensions on the APAS technology;
- cover the costs of the capital raising; and
- general working capital.

***The directors unanimously recommend that you vote in favour of this resolution.***

## **7. Resolution 5 – Approval of a 10% Placement Facility**

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### **Background to Resolution 5**

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company's market capitalisation as at 11 October 2018 was \$21.1 million (200,927,025 issued shares at

\$0.105 closing price per share). Further, the Company is not included in the S&P/ASX 300 Index, and is therefore an eligible entity for the purposes of ASX Listing Rule 7.1A.

The Company is now seeking shareholder approval by way of a Special Resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2. It is the Company's intention that funds received under the 10% Placement Facility will be used to further develop the APAS commercialisation. Funds raised under the 10% Placement Facility may also be used to supplement the Company's working capital requirements and undertake further transactions to acquire new assets or investments should the Directors determine this to be in the best interests of the Company.

### **Description of Listing Rule 7.1A**

a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting.

b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue two classes of Equity Securities being Listed Shares and Unlisted Options.

c) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- 1) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- 2) plus the number of partly paid shares that became fully paid in the 12 months;
- 3) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- 4) less the number of fully paid shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

### **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 200,927,025 Shares and therefore has a capacity to issue:

- 1) 30,139,053 Equity Securities under Listing Rule 7.1; and
- 2) subject to Shareholder approval being sought under this resolution, 20,092,703 Equity Securities under Listing Rule 7.1A.

This calculation is based upon shareholder approval of Resolution 4.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

#### **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must not be less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
- 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.

The Company may also issue Equity Securities under the 10% Placement Facility as consideration for the acquisition of a new asset, in which case the Company will release to the market a valuation of those Equity Securities that demonstrates that the issue price of the securities complies with the rule above.

#### **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- 1) the date that is 12 months after the Annual General Meeting at which the approval is obtained; or
- 2) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX (**10% Placement Period**).

#### **Listing Rule 7.1A**

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's placement capacity under Listing Rule 7.1.

Resolution 5 is a Special Resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

#### **Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
  - 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.

b) if Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders may be subject to both economic and voting power dilution. There is a risk that:

- 1) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting;
- 2) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date; and
- 3) the Equity Securities are issued as part of consideration for the acquisition of a new asset, in which case, no funds will be raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- 1) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or script issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- 2) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.053 50% decrease in issue price	\$0.105 Issue price	\$0.210 100% increase in issue price
Current Variable A 200,927,025 Shares	10% voting dilution	20,092,703 Shares	20,092,703 Shares	20,092,703 Shares
	Funds raised	\$1,054,867	\$2,109,734	\$4,219,468
50% increase in current Variable A 301,390,538 Shares	10% voting dilution	30,139,054 Shares	30,139,054 Shares	30,139,054 Shares
	Funds raised	\$1,582,300	\$3,164,601	\$6,329,201
100% increase in current Variable A 401,854,050 Shares	10% voting dilution	40,185,405 Shares	40,185,405 Shares	40,185,405 Shares
	Funds raised	\$2,109,734	\$4,219,468	\$8,438,935

The table has been prepared on the following assumptions:

- i. the Company issues the maximum number of securities available under the additional 10% Placement Facility;
- ii. no Unlisted Options (including any Unlisted Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
- iii. the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- iv. the table does not show an example of dilution that may be caused to a particular Shareholder by reasons of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the meeting;

- v. the table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1. Dilution experienced by Shareholders may be greater if issues have been made utilising the capacity in Listing Rule 7.1 as well; and
  - vi. the issue price is \$0.105, being the closing price of the Shares on ASX on 11 October 2018.
- c) the Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- d) the Company may seek to issue the Equity Securities for the following purposes:
- i. non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - ii. cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisitions or investments), continued development expenditure on the Company's intangible assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any Equity Securities.

- e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- a. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - b. the effect of the issue of the Equity Securities on the control of the Company;
  - c. the financial situation and solvency of the Company; and
  - d. advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company acquires new assets, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets.

If Resolution 5 is approved by Shareholders, the Company may issue Equity Securities under the 10% Placement Facility during the Placement Period as and when the circumstances of the Company require.

- f) The Company has previously obtained Shareholder approval under Listing Rule 7.1A on 29 November 2017. The following is detailed information required under Listing Rule 7.3A.6 regarding Equity Securities issued since 29 November 2017;
- a. The total number of Equity Securities issued since 29 November 2017 is 59,030,904 Shares and 4,225,806 Options representing 44.6% of the total number of Equity Securities on issue at 29 November 2017;
  - b. The details comprising the issue of 59,030,904 Shares and 4,225,806 Options are as follows;
    - i) 6,451,613 Shares and 3,225,806 attaching Unlisted Options, expiring on 30 November 2018, were issued on 1 December 2017 to sophisticated investor under a placement at

\$0.31 per Share, raising cash consideration of \$2,000,000, with free attaching Options. The issue price of \$0.31 per share was at a 19% premium to the closing price of \$0.26 per share on the date of issue. The investor was an entity associated with Autobio Diagnostic Co. The amount raised has been fully spent on the development of APAS and general working capital.

- ii) 1,000,000 Unlisted Options exercisable at \$0.30 per share, expiring on 30 November 2027, were issued for nil consideration to two recently appointed Non-Executive Directors, Dr Glen Haifer and Mr Matthew Michalewicz, as approved by Shareholders on 29 November 2017.
  - iii) 432,620 Shares were issued on 4 December 2017, at \$0.2658 per share to a supplier, Medvet Science Pty Ltd, in consideration for the transfer of intellectual property.
  - iv) 25,164,711 Shares were issued to sophisticated investors under a placement on 12 March 2018 at \$0.15 per share, with cash consideration amounting to \$3,774,706. The issue price of \$0.15 per share was a 3% discount to the closing price of \$0.155 per share on the date of issue. The investors were clients of Hawkesbury Partners and Pac Partners, of whom managed the capital raise. The amount raised has been partially spent on the development of APAS and general working capital.
  - v) 3,246,666 Shares were issued on 10 April 2018 at \$0.15 per share, with cash consideration amounting to \$487,000, pursuant to a Share Purchase Plan. The issue price of \$0.15 per share was a 3% premium to the closing price of \$0.145 on the date of issue. The amount raised has not been spent.
  - vi) 17,393,705 Shares were issued to sophisticated investors under a placement on 26 April 2018 at \$0.15 per share, with cash consideration amounting to \$2,609,055, as approved by Shareholders on 18 April 2018. The issue price of \$0.15 per share was a 7% premium to the closing price of \$0.14 on the date of issue. The investors were clients of Hawkesbury Partners and Pac Partners, of whom managed the capital raise. The amount raised has not been spent.
  - vii) 3,674,922 Shares were issued to Directors and employees under a placement on 27 April 2018 at \$0.15 per share, with cash consideration amounting to \$551,238, as approved by Shareholders on 18 April 2018. The issue price of \$0.15 per share was at a nil premium to the closing price of \$0.15 on the date of issue. The amount raised has not been spent.
  - viii) 2,666,667 Shares were issued to a sophisticated investor under a placement on 14 May 2018 at \$0.15 per share, with cash consideration amounting to \$400,000, as approved by Shareholders on 18 April 2018. The issue price of \$0.15 per share was a 15% premium to the closing price of \$0.13 on the date of issue. The placement was made to Planet Innovation, a sophisticated investor. The amount raised has not been spent.
- g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

The Board considers that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required. At the date of the notice of meeting, the Company has no plans to use the 10% Placement Facility should it be approved. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 5. The Chairman intends to vote all undirected proxies in favour of Resolution 5.

***The directors unanimously recommend that you vote in favour of this resolution.***

## **Glossary**

In this Explanatory Memorandum, the following terms have the following unless the context otherwise requires:

**"Annual General Meeting"** means the annual general meeting of Shareholders convened by the Notice of Annual General Meeting.

**"ASX"** means ASX Limited ACN 008 624 691 or the securities exchange operated by ASX Limited (as the context requires);

**"Board"** means the Board of Directors from time to time.

**"Closely Related Party"** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealings with the Company; or
- (e) a company that the member controls.

**"Company"** means LBT Innovations Limited (ACN 107 670 673).

**"Constitution"** means the constitution of the Company.

**"Corporations Act"** means the Corporations Act 2001 (Cth).

**"Directors"** means the directors of the Company from time to time and **"Director"** means any one of them.

**"Equity Securities"** has the meaning given to that term in the Listing Rules.

**"Explanatory Memorandum"** means this explanatory memorandum.

**"Key Management Personnel"** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any Director.

**"Listing Rules"** means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

**"Notice of Annual General Meeting"** means the Notice of Annual General Meeting to which the Explanatory Memorandum is attached.

**"Option"** means an unlisted option to subscribe for a Share.

**"related party"** has the meaning given to that term in Section 228 of the Corporations Act.

**"Share"** means a fully paid ordinary share in the capital of the Company.

**"Shareholder"** means a holder of Shares in the Company.

**"Trading Day"** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**"VWAP"** means Volume Weighted Average Price of the Company's ASX-listed Shares trading under the code LBT.



**LBT INNOVATIONS**

**LBT Innovations Limited**

ACN 107 670 673

## Lodge your vote:



**Online:**

[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 729 063  
(outside Australia) +61 3 9415 4675

## Proxy Form



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 182198**

**SRN/HIN:**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 11:00am (Adelaide time) Monday 26 November 2018**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**



☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.


## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of LBT Innovations Limited hereby appoint

☐ the Chairman of the Meeting **OR**


 **PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of LBT Innovations Limited to be held at **Thomson Geer Lawyers, Level 7, 19 Gouger Street, Adelaide, South Australia, 5000, Wednesday 28 November 2018 at 11:00am (Adelaide time)** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Item 1** (except where I/we have indicated a different voting intention below) even though **Item 1** is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Item 1** by marking the appropriate box in step 2 below.

### STEP 2 Items of Business

 **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

#### ORDINARY BUSINESS

	For	Against	Abstain
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Kate Costello as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Caroline Popper as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior Issue of Securities to non-related parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of a 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

**Signature of Securityholder(s)** *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date    /    /