

**APPENDIX 4E FULL YEAR REPORT**  
**FINANCIAL YEAR ENDED 30 JUNE 2019**  
**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

This information should be read in conjunction with LBT Innovations Ltd (**LBT** or the **Company**) 2019 Annual Financial Report.

	<b>June 2019</b> \$'000s	<b>June 2018</b> \$'000s	<b>Change</b> \$'000s	<b>Change</b> %
Revenue	2,553	5,704	(3,151)	(55.2%)
Net profit / (loss)	(4,350)	(2,685)	(1,665)	(62.0%)
Total comprehensive income / (loss)	(4,272)	(2,683)	(1,589)	(59.2%)

**Revenue**

Revenue for the year ended 30 June 2019 was \$2.55 million, a decrease by 55.2% from the prior year. This Revenue comprised:

- \$0.30 million sales revenue
- \$2.25 million revenue from consulting services, and other related expenses, invoiced to Clever Culture Systems AG (**CCS**), a joint venture company.

During the year, LBT recognised its first commercial sale of an APAS® Independence System. This sale was completed by LBT in Australia, where LBT earns income as the distributor, as well as its share of income earned in its 50% joint venture company, CCS. Outside of Australia it is anticipated sales will be made either directly by CCS, or once appointed, by distributors in the target geographies.

LBT's principal source of revenue during the year is from consulting services provided to CCS, together with the invoicing of associated expenses.

**Net profit / (loss) for the year**

The Company's net loss for the year was \$4.35 million. This comprised a loss before income tax of \$5.99 million less an income tax benefit of \$1.64 million. The income tax benefit includes a net R&D tax refund receivable of \$1.01 million.

The loss before tax of (\$5.99) million is comprised of:

- \$0.08 million positive gross margin for the first sale of an APAS instrument;
- \$2.15 million of depreciation and amortisation expenses. (\$2.11) million relates to amortisation of the APAS development costs, with amortisation having commenced following the first sale of an APAS instrument in August 2018.
- \$2.30 million for LBT's 50% share of the loss of CCS. LBT's share of the loss includes (\$1.26) million for the commencement of amortisation of its capitalised APAS development costs. Consistent with LBT, amortisation commenced following the first sale of an APAS instrument in August 2018.
- \$0.77 million for total employee, consulting and joint venture related expenses, net of revenue received from CCS.
- \$1.20 million other expenses including general administration, marketing and legal expenses.
- \$0.35 million other income, largely interest income.

**Dividends**

It is not proposed to pay a dividend.

**Net Tangible Assets per security**

The net tangible assets per LBT share was 6.59 cents as at 30 June 2019, compared with 7.65 cents per share as at 30 June 2018.

**Control Gained or lost over entities**

Not applicable.

**Dividend or distribution reinvestment scheme**

Not applicable.

**Details of associates and joint venture entities**

LBT has a 50% interest in a joint venture with Hettich AG, conducted through Clever Culture Systems AG incorporated in Switzerland. The interest in the joint venture is held directly by LBT. The purpose of the joint venture is to commercialise LBT's APAS technology which is exclusively licensed to CCS for use in the culture plate process.

**Audited Financial Statements**

This report is based on the 2019 Annual Financial Report which has been audited by HLB Mann Judd Audit (SA) Pty Ltd.