

The Manager
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LBT ANNOUNCES COMPLETION OF \$7 MILLION PLACEMENT

New Institutional Investors and directors back LBT Innovations' commercialisation strategy

Adelaide, 2 December 2016: LBT Innovations (ASX: LBT) is pleased to announce an oversubscribed two tranche placement of new shares to professional and sophisticated investors at 31 cents per share. The placement also includes 1 free attaching option for every 2 shares subscribed, exercisable at 44.25 cents before 9 December 2018. It provides additional capital of \$7 million to accelerate the delivery to market of laboratory instruments integrated with LBT's Automated Plate Assessment System (APAS®).

The sole and exclusive lead manager of the Offer was Bell Potter Securities Limited, with Roth Capital Partners acting as the Sole US Placement Agent. LBT Innovations chief executive, Brent Barnes, said the successful placement has brought new Australian and US institutional investors on to the share register. Directors of LBT have elected to purchase shares totalling \$340,000, showing their confidence in future growth, including Mr. Barnes who has purchased shares in the first opportunity available since starting as chief executive in August 2016.

He described the capital raising as a positive step to strengthen LBT's position of delivering product to market over the next 12 months via joint venture company Clever Culture Systems AG (CCS).

"The funds raised will be used to accelerate the delivery to market of APAS® Independence and APAS® Incubot instruments, which places the company in a stronger position as it relates to establishing global distribution arrangements through CCS. We have seen significant new levels of interest in LBT's technology since receiving FDA Clearance and as we transition into becoming a company with a stronger growth profile," said Mr Barnes.

"Now that the key regulatory step toward the commercialisation of the APAS® system has been achieved, it's clear the technology is validated with a significant market opportunity confirmed. The next 12 months will see a series of key milestones achieved, including having functional demonstration devices available at key conferences starting in April 2017," said Mr Barnes.

"Under this accelerated program we are anticipating first sales of APAS® Independence in 2017," he said.

"With a clear and de-risked regulatory pathway, the LBT Innovations and CCS Board believes it is essential that we speed up development of APAS® Independence and APAS® Incubot to ensure this revolutionary automated plate reading and interpretation is available to be installed in microbiology laboratories around the world."

The Capital Raising:

LBT Innovations was pleased with the level of investor interest in the capital raising which was oversubscribed.

The placement will be conducted in two tranches.

- The first tranche of the capital raising comprises the issue of 11.4 million shares and 5.7 million options to raise a total of \$3.5 million. This tranche of shares and options will be issued under the Company's existing placement capacity (ASX Listing Rule 7.1)
- The second tranche includes the Directors' investment and comprises the issue of 11.2 million shares and 5.6 million options to raise a further \$3.5 million. The second tranche and the investment by directors are subject to approval by LBT's shareholders.

Shareholders will be asked to approve the second tranche shares and attaching options at an extraordinary general meeting, which is scheduled for Wednesday, 18 January. A Notice of Meeting will be issued by the Company in due course.

– 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-approved 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 AG Switzerland 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.

For more information, see www.lbtinnovations.com

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