

The Manager
Company Announcements Office
ASX Limited

CHAIRMAN'S ADDRESS

Adelaide, 29 November, 2017: It is my great pleasure to be here today, to meet with our shareholders and stakeholders to share the great progress LBT Innovations has made over the past twelve months.

It has been a remarkable year for us, with the achievement of many company milestones.

As outlined in our annual report, revenue for the financial year to 30 June was \$5.92 million, however fundamentally the company did not generate any recurring revenues from the sales or licensing of our products.

The numbers don't do justice to the achievements we have made as a company this year. It has been a year of constant milestones across engineering, organisational leadership and capital planning.

The past 12 months have delivered tangible results, notably FDA Clearance in October 2016 and showcasing a working demonstration instrument at major tradeshow starting in April 2017. These achievements coupled with the accelerated engineering schedule announced in December 2016 have set up fiscal 2017/18 as a year for commercialisation and first sales.

FDA clearance is a fitting tribute to the many years of painstaking work by LBT's staff and partners, and was the most pleasing and important milestone achieved for the year.

LBT was appointed by joint venture company Clever Culture Systems AG as the distributor for Australia and New Zealand which is the first global launch market for APAS® Independence. As the initial developer of APAS®, LBT has existing software and engineering expertise in-house and will set the foundations for building global expertise used to support distributors who will be appointed in other global markets.

We have recently been working with St Vincent's Hospital in Melbourne as the global first trial site of the APAS® Independence instrument. Placement in St Vincent's Hospital, a highly regarded centre of excellence, enabled the evaluation of the instrument's performance within a diagnostic pathology laboratory, over a six-week period. It was very pleasing to announce today the positive results at this independent evaluation. We look forward to expanding these reference sites both in Australia and globally in 2018 as sales commence.

LBT have created an artificial intelligence platform technology. The FDA cleared APAS platform has been extended to develop a prototype device called WoundVue™ which is being used by the Central Adelaide Local Health Network (CALHN) Vascular and Endovascular Services. The device provides automatic and objective measurements of the surface area, volume and depth measurements of chronic wounds. The algorithms automatically interpret the wound tissue types. It remains in early development with opportunity to partner with organisations.

The last year also saw significant change within our management, organisational structure and board. In August of last year we welcomed Brent Barnes as CEO and Managing Director of LBT Innovations. He has filled the roles of Scientific Director, Research Director and Engineering Director to establish a solid management team that under Brent's leadership led to the successful accomplishments of key milestones during the year.

LBT's long-serving Chairman Bob Finder announced his retirement following a decade of outstanding leadership of the company. The board acknowledges Bob's exceptional leadership of LBT since 2007.

I am honoured to have the opportunity to replace Bob as the Chairman of the company following his retirement. I come from a legal background and bring expertise in strategy and corporate governance, with depth of experience as a director and chair in various companies.

In December of last year, the board completed a reflective board skills assessment to define what competencies the board requires to achieve our strategic goals. As a result of this, two new Non-executive Directors were appointed – both having started in September of this year.

Mr Matt Michalewicz has more than 20 years' experience in starting and running high-growth tech companies, particularly in the areas of predictive analytics and optimisation software. He is the CEO of Complexica Pty Ltd, a provider of artificial intelligence (AI) software applications that help large organisations increase revenue, margin and customer engagement through automated analytics. Matt lives in Adelaide and started his career based in the United States. His background in AI technology complements LBT's platform technology.

Dr Glenn Haifer has 30 years' experience in medicine and the healthcare sector and has successfully launched four different businesses operating in primary medical services, histopathology and cosmetic medical services, which he has exited through sales to private equity firms and to an ASX 200 company. Glenn is a Sydney-based experienced company director holding multiple directorships with focus in capital management strategies.

The 2016/17 financial year has been a year of major change for the company; delivered in a very structured, thought out and considered way. A new CEO, transition of chair, coupled with new Non-executive Directors starting in September 2017, in addition to monumental progress in delivering a working APAS® Independence instrument. This sets up LBT for continued success in fiscal year 2018.

Finally, I wish to thank you for your continued and much valued support as loyal LBT shareholders, particularly during this most promising phase in our commercial development.

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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

LBT Innovations	Media Relations
Brent Barnes Chief Executive Officer & Managing Director Tel: +61 (0)8 8227 1555 E: info@lbtinnovations.com	Sarah Kemter Monsoon Communications Tel: +61 (0)3 9620 3333 M: +61 (0) 407 162 530 E: sarahk@monsoon.com.au