

The Manager
Company Announcements Office
ASX Limited

CONFERENCE CALL QUESTIONS & ANSWERS

Adelaide, Australia, 28 June 2017: Australian medical technology company LBT Innovations Limited (ASX: LBT) are pleased to provide answers to questions raised from the recent company update and conference call, which took place at 11:00am AEST on Tuesday 27 June.

Question: Having raised \$7 million via a two tranche Placement in December/January 2017, it was a surprise new capital requirements were needed, why was an SPP undertaken now?

- At the time of the placement in December 2016, there was a view of expenditure relating to the accelerated engineering program to deliver a working demonstration device in time for the two largest microbiology conferences for 2017, which were the European Congress of Clinical Microbiology and Infectious Diseases (ECCMID) and American Society for Microbiology (ASM) Microbe. The company's view was that it was critical that these milestones were achieved and schedule would not be impacted. The result of this is that development costs were higher than what was anticipated in December 2016.
- With respect to timing of the raise, LBT's March Quarter 2017 Appendix 4C, indicated cash at the end of March 2017 being \$6.3 million. It also outlined estimated cash outflows for the next quarter (April, May, June 2017) being \$3.9 million. Taking into account expected future spend, the company has taken a conservative approach to manage cash flow with the knowledge of anticipated positive news flow. We wanted to give existing shareholders the opportunity to participate in a discounted share price prior to company milestones being achieved and the news being released.

Question: What will the proceeds of the SPP be used for?

- We strongly recommend that interested parties refer to the SPP booklet which has been distributed, along with previous ASX announcements on this topic for the already fully disclosed details.
- As a discussion point, the proceeds will be used specifically to support infrastructure required for distribution agreements such as service support, training and ongoing field service and maintenance. In addition it will be used to conduct market acceptance trials in September.

Question: What happens if the SPP doesn't raise the full \$3 million?

- Our approach is to close out the SPP as planned. We will aim to lodge the June Quarter 2017 Appendix 4C in early July to give all stakeholders an opportunity to review current cash at bank and estimated cash outflows for the next quarter (July, August, September).
- We have and will continue to look at ways to maximise our cash position over coming months, with various options available.

Question: Are potential distribution partners waiting on St Vincent's data before agreeing to a distribution deal?

- Potential distribution partners are not waiting on the data from St Vincent's Hospital due to the availability of a working demonstration device which was showcased at both ECCMID and ASM. Having this working instrument clearly indicates that the instrument is mature, with considerable thought given to cleanability, useability and appearance.

- Achieving key milestones such as FDA Clearance, CE Marking and APAS® being included on the Australian Register of Therapeutic Goods, indicates that the regulatory pathway is de-risked. This is all off the back of the 10,000 patient clinic trial that was completed using the APAS® Compact instrument (manual loading instrument using the APAS® technology).
- Distributors are able to understand the regulatory context and clinical trial results achieved in consideration of agreeing to a distribution deal.

Do you have projected sales figures for 2018 calendar year?

- There is a sales forecast for 2018, which has also been incorporated into a manufacturing plan. As we make firm agreements with distribution partners, we will be better positioned to communicate the specifics.

Why would I buy into the SPP when the share price is lower than the SPP price of \$0.26?

- The company is unable to provide financial advice, however there are obvious considerations with respect to making a decision to participate.
- Price is certainly a key factor, however the corresponding trading volume is another consideration.
 - Volume traded in the stock has been low during the SPP period
 - Our large shareholders have remained stable and invested in the company
- In addition, there are important milestones that have been achieved and spoken about in the presentation, along with other identified targets that are expected over coming months.

The key take away message is that we are less than three months away from having APAS® Independence in a lab and the company will start receiving revenue from sales in 2018.

– 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-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.

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