LBT INNOVATIONS

Annual Report

For the year ended 30 June 2019

Delivering AI for healthcare globally

LBT Innovations
ABN 95 107 670 673

Directors

The names of the directors in office at any time during or since the end of the year are:

Catherine Costello
Chairman

Brenton Barnes
Chief Executive Officer and Managing Director

Stephen Mathwin
Non-Executive Director

Caroline Popper
Non-Executive Director

Simon Arkell
Non-executive Director
(Commenced 30 January 2019)

Damian Lismore
Non-executive Director
(Commenced 25 March 2019)

Dr Glenn Haifer
Non-executive Director
(Retired 1 March 2019)

Matthew Michalewicz
Non-executive Director
(Retired 22 October 2018)

Company Secretary

Daniel Hill

Chief Financial Officer

Raymond Ridge

Principal Place of Business & Registered Office

Level 8, 44 Waymouth Street
Adelaide SA 5000

Phone: +61 8 8227 1555

Website: lbtinnovations.com

Lawyers

Thomson Geer Lawyers
19 Gouger Street
Adelaide SA 5000

Auditors
HLB Mann Judd Audit (SA) Pty Ltd
167-169 Fullarton Rd
Dulwich SA 5065

Share Register

Computershare Investor Services Pty Limited
GPO Box 1903
Adelaide SA 5001

Listed Securities

LBT: Ordinary Shares

Contents

APAS® Independence

The first and only automated culture plate reader

The APAS® Independence is an innovative in vitro diagnostic instrument using artificial intelligence for automated imaging, analysis and interpretation of agar culture plates in microbiology laboratories.

Available

regulatory cleared in US, EU and AU.

3x faster

than manual culture plate reading.

Clinically proven

in a 10,000-patient clinical study

Fast

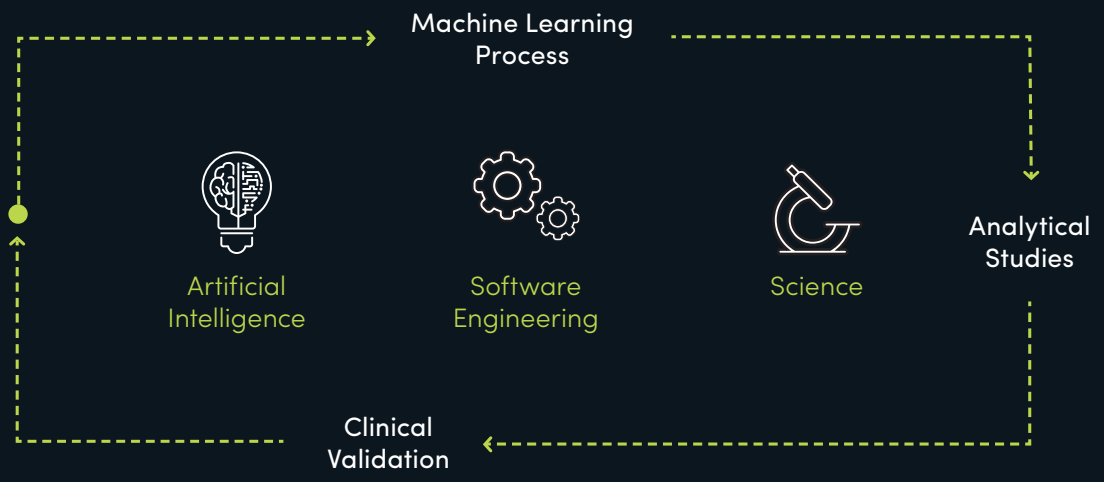
Accurate

Cost effective

APAS® Analysis Modules

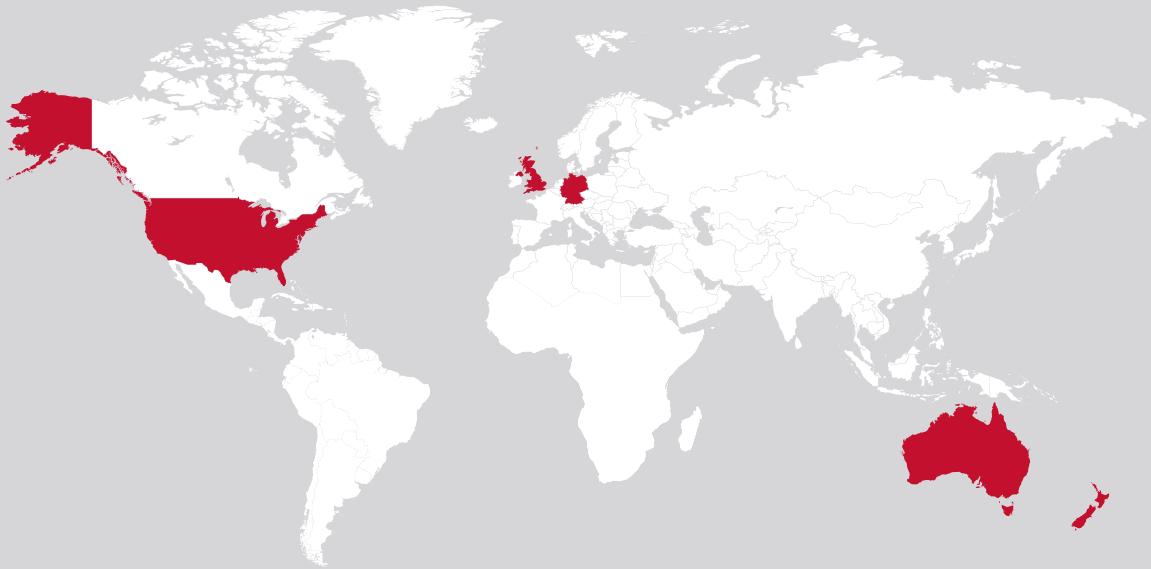
The artificial intelligence image analysis software at the heart of the APAS® Independence.

LBT have a capability to expand the number of APAS® analysis modules available – increasing the range of microbiology tests our customers can run on the APAS® Independence.



Unlocking Global Markets

Expanded addressable market to 2,000 laboratories meeting the target profile for the APAS® Independence.



Target market is
medium to large
laboratories

Future Outlook

Strong Competitive Positioning

Technology

Product in Market
- Market leading AI technology
- First product modules released for Urine and MRSA

Platform Technology
- Developing new product extensions

Values

Innovation
- Putting new ideas into practice

Teamwork
- Collaboration across multiple disciplines

Empowerment
- Incentivised to perform

Capability

Artificial Intelligence
- Computer vision and data science

Software Engineering
- Insourced technical capability

Clinical Science
- Regulatory understanding and know-how

Market

Global Markets
- At the forefront of fast growing AI in healthcare
- FDA, CE Mark and TGA Cleared

Commercial Focus
- Early mover advantage

2018–2019 highlights and commercial achievements

August 2018
First sale of APAS® Independence

August 2018
$4m SA Government loan facility to support insourcing strategy

November 2018
Insourced core capability in AI, Software Engineering and Science

November 2018
First U.S. placement of APAS® Independence

December 2018
Appointment of EU Sales Executive

February 2019
US Lead Generation Campaign

January-March 2019
Board appointments - Simon Arkell (AI entrepreneur) and Damian Lismore (Commercial leader)

April 2019
MRSA Study data presented at ECCMID Conference

May 2019
US FDA 510(k) Clearance for APAS® Independence

June 2019
$5M Placement completed

June 2019
US evaluation data presented at ASM Microbe Conference

June 2019
Placement of APAS® Independence with potential distributor

September 2019
Completed CE Mark self-certification

Chairman's Letter to Shareholders

The 2019 financial year has been another important one for LBT Innovations, with a focus on finalising instrument development that has enabled successful regulatory submissions in global markets. This culminated in the FDA clearance in May 2019 and more recently the CE Mark in September 2019 for our technology.

The process of bringing new medical technologies to market is a long one requiring clinical validation, regulatory clearance, demonstration of utility and a value proposition prior to customer adoption. This is particularly true for disruptive technologies, such as the APAS® Independence, where it is necessary to build trust with customers who may be cautious about replacing their microbiologists with an automated artificial intelligence instrument such as ours.

Over the past two years, LBT has been building a network of key opinion leader reference sites across Australia, Germany and the United States to raise the profile of the APAS® Independence and have industry leaders advocate for our technology. This, along with attendance and clinical presentations at key trade events such as ECCMID, ASM Microbe and AACC, has been another element to build trust and generate market interest.

Above all though, the recent regulatory clearances from the FDA in the United States and the CE Mark for the EU, means that we are well positioned to execute on our strategy to commercialise this world leading technology.

Our experiences in Australia, have taught us that the sales cycle can take time with multiple customer touchpoints prior to purchase. Prior to the recent regulatory clearances in the United States and the EU, our sales opportunity was constrained to the small Australian market. With access to the United States and German markets we have now extended our addressable market to approximately 2,000 laboratories which we believe meet the target profile for our APAS® Independence.

Ahead of these regulatory clearances, we have been proactive with our sales and marketing efforts to build a qualified pipeline of targets in both the United States and German markets.

This should ensure that the year ahead is an exciting one, with a platform from which to expand commercialisation globally.

To reach this point has required a lot of hard work and I would like to recognise the support of our joint venture partner, as well as our global reference sites for the support they have provided throughout the year.

I would also like to note that this year, we successfully raised funds which puts us in a strong financial position and provides funding for the business to execute our commercialisation strategy. On behalf of the LBT board, I would like to thank all of our long-term shareholders for their continued support of the company as well our new shareholders who joined the register when we raised $5m earlier this year. I would also like to extend my thanks to the South Australian Government for their backing through a $4m government loan facility. We look forward to welcoming the Premier of South Australia, The Hon. Steven Marshall MP, to showcase our technology in Adelaide in November this year.

Reflecting on the progress the Company has made since I joined the board in 2005. The Company has demonstrated an ability to transform ideas into new products that change the way in which clinical microbiology laboratories work. Moreover, we've developed a growth strategy centred around our platform AI technology that will see further technology expansion over coming years.

Sincerely,

Catherine Costello
Chairman

Managing Director's and CEO's Report

The 2019 financial year saw the company focus on both technology development and building out our commercial infrastructure as we look to build future sales for our automated culture plate reading instrument, the APAS® Independence. To support this, we have worked hard on pipeline development in the local Australian market and to also build awareness and market access for the much larger key launch markets of the United States and Germany.

For the Company this has meant a shift in focus as we moved from a phase of product development to that of commercialisation. Our team has been busy expanding our network of reference sites, working to deliver regulatory clearances in the United States and the EU, and importantly generating market interest in the technology.

"Over time, the APAS® Independence will transition from a new technology supported by key opinion leaders to a clinical instrument delivering proven commercial returns for our customers."

In parallel with our sales and marketing efforts, we have a process to develop further analysis modules for the APAS® Independence. These software modules allow the APAS® to process new microbiology tests, which increase the functionality of the instrument and increases the number of samples and specimens it can process. In short, each new analysis module we provide increases the return on investment for customers and increases our addressable market for the instrument.

We now have a commercial product available for sale in Australia, the United States and the EU. The next 12 months will be all about executing a focussed and nimble sales process in the key markets of the United States and in Germany. In parallel we will be supporting the establishment of distribution partners in those markets which is important to generating scale from a sales perspective. Over time, the APAS® Independence will transition from a new technology supported by key opinion leaders to a clinical instrument delivering proven commercial returns for our customers.

Building our global network

Our process of building a global network of reference sites began in 2017 with the first placement of an APAS® Independence at St Vincent's Hospital in Melbourne as part of an independent evaluation of the technology. In April 2018, our joint venture company Clever Culture Systems AG or CCS, established a European centre of excellence at the prestigious facility, Labor Dr Wisplinghoff in Cologne.

In November 2018, we made our first placement of the APAS® Independence into a United States laboratory, at Hennepin County Medical Centre in Minneapolis. This created our network of global reference sites and key opinion leaders in each or our three launch markets.

Establishing this network is an important step for the Company, as these operational sites within our customers' regions provide a location from which we are able to showcase the instrument to interested parties in a clinical setting.

Our reference sites are also key partners for the development of further analysis modules. This was the case with the development of our most recent MRSA analysis modules where over 17,000 culture plate images were captured for the machine learning process at Labor Dr Wisplinghoff and the final clinical validation was supported by St Vincent's Hospital, Melbourne.

During the year, members of the team attended major industry conferences in Europe (European Congress of Clinical Microbiology and Infectious Diseases or ECCMID), the United States (American Society of Microbiology) and Australia (Australian Society for Microbiology).

At these events, clinical data on the performance of the APAS® Independence was presented by our key opinion leaders. At ECCMID, we also hosted a dinner with presentations from LBT's Scientific Director, Dr Steve Giglio, as well as the key opinion leaders from each of our global reference sites. The event provided further opportunity to showcase the APAS® Independence to a broad audience of microbiology laboratory directors.

Managing Director's and CEO's Report cont.

Australian market access

The start of the 2019 financial year saw our first commercial sale of the APAS® Independence to St Vincent's Hospital in Melbourne. This was achieved following St Vincent's successful evaluation of the APAS® Independence and reflected their positive experience using the instrument. This was an important milestone and one achieved following extensive work with St Vincent's Hospital.

While we have continued to engage with other potential customers in Australia to build awareness and interest, our experience has shown that the Australian market opportunity is small, and the sales cycle is longer than we first expected.

We have 26 identified buying groups in Australia which is segmented heavily towards 19 public hospital laboratories, who require a formal tender process before a purchasing decision. In the last year, there were no applicable public tenders, limiting our focus to the 7 private laboratory groups. Whilst the progress to complete sales has been slower than expected, the product feedback has been positive.

We have also learned key lessons about our potential customers and the market, which will be important as we expand our focus to the United States and German markets.

Expanding on our commercialisation activities

Given the long sales cycle for capital equipment involving a new technology like ours, we commenced the pre-sales process in the United States ahead of obtaining regulatory clearance for the APAS® Independence. In March 2019, CCS engaged a lead generation company to commence a program of outbound calling to identify customers that meet our target customer profile and who have a near term requirement for automation. Through this program we reached out to over 1,400 laboratory stakeholders and generated over 150 sales leads.

In May 2019, we received FDA 510(k) clearance from the United States Food and Drug Administration for the APAS® Independence instrument with associated urine analysis module. This was the final regulatory milestone, providing us with a commercial instrument available for sale in the United States.

Top: CCS booth at ECCMID 2019 Annual Conference, Amsterdam.
Bottom: The Team at ASM Microbe 2019 Annual Conference, San Francisco

Following the end of the financial year, in July 2019, we were very pleased to ship an APAS® Independence instrument to a United States based global healthcare manufacturer and potential distributor, who is now undergoing an assessment of the technology. This is aligned with our dual strategy for market entry: a direct sales presence to build awareness and early sales opportunities combined with appointing one or more large distributors to add scale and provide technical support in these markets.

In Germany, we have made progress with the appointment of a European Sales Executive in December 2018. This has enabled a targeted approach focussed on engaging with high volume laboratories in the region, to build interest in our technology. The recent completion of the MRSA analysis module clinical validation and CE Mark self-certification process provides a platform for future sales in the region.

"This transformation has taken us from a process of product invention to an established process for future analysis module delivery. We are now able to control the end-to-end machine learning and clinical validation process required to develop new modules."

Ongoing technology development

The analysis modules are the intelligent image analysis software that enables the APAS® Independence to test different specimen types, using the same media that laboratories use in their routine microbiological tests. The ongoing development of modules is key to expanding the utility of the APAS® Independence, as they increase the range of specimens able to be processed therefore making it more useful to our customers.

In view of the importance of future analysis modules, over the last 18 months we have focussed on insourcing key technical capability to de-risk and lower the cost of ongoing analysis module development. We have also undergone a detailed review of our processes to improve the time required to develop future modules.

This transformation has taken us from a process of product invention to an established process for future analysis module delivery. We are now able to control the end-to-end machine learning and clinical validation process required to develop new modules. Our reference sites are also a key part in this process enabling us to more rapidly acquire the data required for new analysis modules and to support us with the necessary clinical validation process.

Two APAS® Independence instruments installed at German reference laboratory, Labor Dr Wisplinghoff

Managing Director's and CEO's Report cont.

Strengthening the team

In October 2018, Non-Executive Director Matthew Michalewicz resigned from the board and was replaced by Simon Arkell and in March 2019, Dr Glenn Haifer was replaced on the board by Damian Lismore.

Both Simon and Damian bring important skill sets to the board. Simon is based in California, USA and is a hi-tech entrepreneur with a focus on artificial intelligence and software analytic technologies. Damian is a seasoned finance executive who has extensive international and listed company experience in healthcare and technology.

Funded for the future

In August 2018, we executed a $4m loan facility with the South Australian Government providing access to funding at a low interest rate, linked to operational milestones. During the year we completed two drawdowns totalling $2.5m and the final drawdown of $1.5m remains available through to 31 December 2019, subject to achieving additional operational milestones.

The Company also strengthened its financial position in June 2019, with the completion of a $5m private placement to provide additional funds to accelerate our sales activities in the United States and Germany as well as finance ongoing analysis module development. We now believe with a cash balance of $10.2m at 30 June 2019, we are well funded into the future.

"In May 2019, we received FDA 510(k) clearance from the United States Food and Drug Administration for the APAS® Independence instrument with associated urine analysis module."

Dr Glen Hansen presenting US APAS® data at the Cobra Museum dinner, Amsterdam

FY20 Outlook

The 2019 financial year has established the Company with a platform from which to achieve early sales in the United States and Germany. With a sales cycle of 12+ months and supporting this effort largely from Australia, our sales process has a laser focus on those customers that have indicated they can make a purchasing decision within this timeframe.

In parallel to our direct sales focus, we expect to appoint one or more distributors which will transition our focus from direct sales to channel management.

This transition will require us to focus on transferring knowledge, extensive training and co-development of sales and marketing plans across their network which is the start of generating real scale in our sales process.

In Australia, we will continue to engage with both the public and private laboratory groups to target sales in the region. For the public laboratory market our focus will be on engaging laboratory decision makers to establish future tenders.

With the execution of our strategy for insourcing core technical capability, we look forward to the development of new analysis modules for the APAS® Independence further expanding its utility for our customers. The expanded team also lays the foundation to develop our technology towards new and exciting applications.

Brent Barnes

Brent Barnes
Chief Executive Officer
and Managing Director

"We now believe with a cash balance of $10.2m at 30 June 2019, we are well funded into 2021."

Brent Barnes featuring in The Australian following FDA Clearance in May

Directors Report

Your directors present their report on the Company for the year ended 30 June 2019 as at the date of this report.

Directors

The names of the directors in office at any time during or since the end of the year are:

Catherine Mary Costello
Chairman

Brenton Barnes
Chief Executive Officer and Managing Director

Stephen Mathwin
Non-Executive Director

Caroline Popper
Non-Executive Director

Simon Arkell
Non-executive Director
(Commenced 30 January 2019)

Damian Lismore
Non-executive Director
(Commenced 25 March 2019)

Glenn Haifer
Non-executive Director (Retired 1 March 2019)

Matthew Michalewicz
Non-executive Director (Retired 22 October 2018)

Directors have been in office since the start of the financial year to the date of this report, unless otherwise stated.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Daniel Hill

Qualifications
Bachelor of Accountancy, Chartered Accountant, MBA, Master of Applied Finance, Certificate in Governance Practice.

Experience
Daniel is an experienced Chartered Accountant of more than 20 years and has worked in various roles including public practice, finance and private equity. He is a Non-executive Director and/or Company Secretary of various private companies and is the Company Secretary of Southern Gold Ltd, an ASX listed company.

Principal Activities

The principal activities of the Company during the financial year were those of researching, developing and commercialising innovative technologies for the healthcare and laboratory supply markets.

There were no significant changes in the nature of the Company's principal activities during the financial year.

Operating Results

LBT recorded a net loss for the year of $4.35 million (2018: $2.69 million).

Dividends Paid or Recommended

No dividends were paid, nor recommended to be paid for the year ended 30 June 2019.

Review of Operations

The 2019 financial year saw a shift from instrument product development to a focus on regulatory submissions and early commercialisation efforts in key markets.

The finalisation of the APAS® Independence instrument was the culmination of significant investment over the prior two years to bring a commercial automated culture plate reader to global markets.

The Company achieved its first sale of the APAS® Independence to St Vincent's Hospital, Melbourne in August 2018. The purchase order was placed with LBT who generated direct revenue as the distributor for Australia and New Zealand. Feedback from other potential customers in Australia has remained positive, although the sales cycle was longer than originally expected. The Australian market is small and categorised by private laboratories and public laboratories, each of which have different budgeting processes for procurement of capital equipment. At present there are no relevant tenders within public hospital laboratories confirmed for release in the 2019 calendar year, limiting sales opportunities to a smaller number of private sector laboratories. The Company remains engaged with customers in Australia however the bigger opportunity is the larger markets of the US and EU.

The establishment of a key opinion leader reference site and strategic development partner at prestigious facility Labor Dr Wisplinghoff in Cologne, Germany was a foundational entry point for Germany and the broader EU market. A sales focus in Germany commenced through the appointment of a European Sales Executive in December 2018.

Product and sales training occurred during the December and January timeframe, and focused customer sales calls and detailed market segmentation started from February 2019. These sales activities are building interest in the APAS® instrument ahead of CE Marking and commercial release of the instrument, which is expected by 30th September 2019.

In the US, placement of an APAS® Independence was made into Hennepin County Medical Centre in November 2018, as a key opinion leader and a centre of excellence for the US market.

In December 2018 the Company submitted a 510(k) application to the US FDA for the APAS® Independence.

Ahead of FDA clearance, the Company commenced lead generation activities to identify and qualify potential customers in the US.

On 17 May 2019, clearance was received from the US FDA for the APAS® Independence together with the urine Analysis Module. This FDA clearance was a significant achievement, representing the final regulatory milestone, enabling commercial sales of the APAS® Independence in the US which is the single largest global market.

In July 2019, the Company announced the shipment of an APAS® Independence to a US based leading global healthcare manufacturer and distributor. This is a positive step forward for the Company who expects distributor appointments to occur sometime in 2020.

Towards the end of the year, the Company strengthened its financial position through a $5 million private placement, together with two drawdowns of the financing facility provided by the South Australian Government, totalling $2.5 million. LBT finished the year with a cash balance of $10.18 million at 30 June.

Financial Overview

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

The net loss before income tax of $5.99 million is comprised of:

- $0.08 million 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 was 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 CCS reimbursements;
- $1.20 million other expenses including general administration, marketing and legal expenses; and
- $0.35 million other income, largely interest income.

Financial Position

Net assets of the Company increased by $0.41 million from $29.11 million at 30 June 2018 to $29.52 million at 30 June 2019.

Cash on hand and at the bank increased to $10.18 million at 30 June 2019 ($7.57 million at 30 June 2018).

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Company during the year.

After Balance Date Events

There have been no after balance date events.

About LBT Innovations

LBT improves patient outcomes by making healthcare more efficient. Based in Adelaide, South Australia, the Company has a history of developing world leading products in microbiology automation. Its first product, MicroStreak, was a global first in the automation of the culture plate streaking process. The Company's second product, the Automated Plate Assessment System (APAS®) is being commercialised through LBT's 50% owned joint venture company Clever Culture Systems AG (CCS) with Hettich Holding Beteiligungs- und Verwaltungs-GmbH. The APAS® instrument is based upon LBT's intelligent imaging and machine learning software, and remains the only US FDA-cleared artificial intelligence technology for automated imaging, analysis and interpretation of culture plates following incubation.

Environmental Issues

The Company's operations are not subject to significant environmental regulation under the laws of the Commonwealth and State.

Information on Directors at the Date of This Report

Catherine Mary Costello
Chairman

Qualifications
Law Degree (University of Melbourne).

Experience
Kate Costello is qualified in law and an expert in corporate governance, board performance and strategy.

She is a professional, Non-executive Director having sold her consultancy, Governance Matters, in 2017. Prior to establishing Governance Matters, Kate earned a law degree from the University of Melbourne, worked in management at a commercial law firm and is an expert in strategy, governance and commercial law.

Kate's board experience has spanned commercial, statutory and not-for-profit entities across diverse sectors: banking and finance; engineering; defence; biotech; entertainment; gaming; software; education; employment; housing and accommodation and professional services.

She currently Chairs LBT and is a Director of Whittles Management Services Pty Ltd, a trustee of Adelaide Workers' Homes and a member of the Diocesan Finance Council of the Adelaide Archdiocese of the Catholic Church.

Kate is a Fellow of the Australian Institute of Company Directors.

Interest in Shares	1,290,272	Ordinary shares
Interest in Options	Nil	
Third Party Holdings		
- Costello Consulting Pty Ltd as Director	1,393,004	Ordinary Shares
- HSBC Custody Nominees (Australia) Limited	666,667	Ordinary Shares
Directorships held in other listed entities	Nil	
Interest in Contracts	Nil	

Information on Directors

Brenton Barnes

Chief Executive Officer and Managing Director

Qualifications

Master of Project Management (University of Adelaide), Diploma of Commerce (Sydney Institute of Business and Technology), Graduate, Australian Institute of Company Directors (Australian Institute of Company Directors).

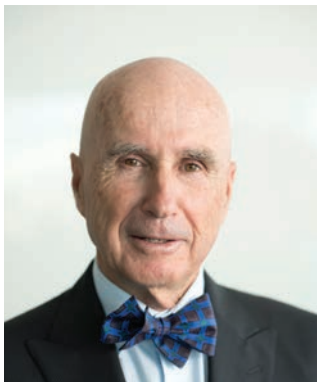
Experience

Brent is a global business executive and medical technology enthusiast. He has broad experience in regulated Class I, Class II and Class III medical devices (implantable devices and Artificial Intelligence automation in healthcare), and in 2016 became CEO and Managing Director of LBT.

Prior to this, Brent spent 11 years as a Senior Executive in a variety of roles at Cochlear Limited (ASX:COH), the global leader in implantable hearing devices. During his tenure with the company, he lived in the US, Singapore and Sydney, overseeing a range of global business functions. During this time, he was the Director Asia Growth Markets & Operations for Asia Pacific, growing the implantable hearing market across 12 countries in Asia over five years.

In addition to his roles with LBT, Brent is a Non-executive Director of Connek Pty Ltd, a telecommunications company that sub-contracts specialist services to leading blue chip telecommunications companies working on the national rollout of Australia's National Broadband Network.

Interest in Shares	Nil	
Interest in Options	1,500,000	ESOP options expiring 7 August 2026
Third Party Holdings		
- Barnes' Love Work Live	713,606	Ordinary shares
Directorships held in other listed entities	Nil	
Interest in Contracts	Nil	



Stephen Paul Mathwin

Non-executive Director

Qualifications

Law Degree (University of Adelaide).

Experience

Stephen is a highly experienced legal practitioner and a former partner at Adelaide law firm, Kelly & Co, from 1988 to 2001. In that time he headed the firm's Employment, Industrial Law and Superannuation Section. He was also responsible for managing much of Kelly & Co's internal risk management functions. Stephen remains a Consultant to the firm.

In addition to more than 30 years' experience working as a lawyer, Stephen is Chairman of Australian Timbers Ltd and Poly Products Co Pty Ltd. He was a director of Paragon Private Equity and its associated companies, a Director of the McArthur Management Group of Companies, and Chairman of Cavitus Pty Ltd.

Stephen was for many years the Deputy Chairman of Non-Government Schools Superannuation Fund [NGS], an industry superannuation in the non-government school sector. He was also the Chairman of its Investment Committee. During his time at NGS, its funds under management grew from $1.6 billion to more than $5 billion.

Stephen is also a former Chairman of the School Council of Westminster School Incorporated and is the current Chairman of the Investment Committee for the Westminster School Foundation.

Interest in Shares	519,230	Ordinary Shares
Interest in Options	Nil	
Third Party Holdings		
- Ruin Pty Ltd as trustee for the Steve Mathwin Superannuation Fund	2,950,262	Ordinary Shares
Directorships held in other listed entities	Nil	
Interest in Contracts	Nil	

Information on Directors

Caroline Popper

Non-executive Director

Qualifications

Bachelor of Medicine (University of the Witwatersrand, Johannesburg), Master of Public Health – Health Policy and Health Economics (Johns Hopkins University, Baltimore).

Experience

Caroline is a US-based pathologist and business consultant with more than 25 years' operational experience in the international diagnostics, medical devices and drug discovery fields. After 10 years in senior management and marketing roles at Becton, Dickinson and Company, Caroline established her own consultancy company to provide strategic corporate and advisory services to businesses across the life sciences spectrum.

A qualified health economist, Caroline has served in senior managerial and advisory positions with numerous global diagnostics and medical research companies, including bioMérieux and MDS Proteomics, where she was Chief Business Officer from 2000 to 2002. In addition to her extensive corporate experience, Caroline enjoys a hands-on clinical perspective from her years as an attending physician at the Department of Emergency Medicine at Baltimore's Johns Hopkins Hospital, where she completed residencies in internal medicine and pathology.

In 2003, Caroline founded Popper and Company, a strategy and M&A advisory firm focused on diagnostics, medical devices, life science tools, and digital health applications. Her other Directorships include Diversigen (Chair), Anizome, Agilex, and Baylor Genetics.

Interest in Shares	300,000	Ordinary Shares
Interest in Options	Nil	
Directorships held in other listed entities	Nil	
Past directorships held in other listed entities	Tyrian Diagnostics Ltd (ASX:TDX) 2009 to February 2016	
Interest in Contracts	Nil	

Simon Arkell

Non-Executive Director

Qualifications

MBA (Orfalea College of Business at Cal Poly San Luis Obispo), Bachelor's degree in Economics (University of New Mexico)

Experience

Simon is currently co-founder and President of Deep Lens, a US based AI company focused on the deployment of a well known digital pathology platform to pathology labs worldwide with a focus on the identification of patients to clinical oncology trials. Deep Lens is backed by Sierra Ventures, Rev1 Ventures and Tamarind Hill Partners.

Prior to Deep Lens, Simon was the GM of software platforms and analytics at Greenwave Systems, Inc. which acquired Predixion Software, the company Simon founded in 2009 and ran as CEO until its exit in September 2016. Predixion raised over $46 million from strategic and venture investors and was named a visionary for advanced analytics by Gartner in 2016.

Prior to Predixion, Simon was an operating partner with Triton Pacific Capital Partners, was President and COO of an Oracle consulting company with 600 employees in 10 countries, was a principal with boutique investment banking firm, and in 1998 he co-founded Versifi Technologies, Inc. in Newport Beach, California, a venture backed leader in the enterprise content management space.

Simon is program Chairman for Megan's Wings, a children's cancer charity and serves on the boards of the President's Council and the Dean's Advisory Council for the Orfalea College of Business at Cal Poly San Luis Obispo where he holds an MBA. He also holds a Bachelor's degree in Economics from the University of New Mexico. Originally from Adelaide, South Australia, Simon is also a two-time Olympian for Australia in the pole vault, and from 1990-1996 broke nine Australian and two Commonwealth records while also winning the gold medal at the 1990 Commonwealth Games.

In 2015, Simon received the award for outstanding CEO for mid-sized companies at the Orange County Tech Alliance awards.

Interest in Shares	Nil
Interest in Options	Nil
Directorships held in other listed entities	Nil
Interest in Contracts	Nil

Information on Directors

Damian Lismore
Non-Executive Director

Qualifications

GAICD (Graduate Member of Australian Institute of Company Directors), CA ANZ (Member of Chartered Accountants, Australia & New Zealand), FCA (Fellow of Chartered Accountants in Ireland), BA (Honours) Accountancy

Experience

Damian has held a number of Directorships and has extensive commercial, international and listed company experience (both ASX and NASDAQ), covering many industries including healthcare and technology. In his executive career, he held CEO, CFO and Company Secretarial roles and continues to act as an advisor to CEOs, boards and business owners.

With a background in M&A, licensing and business financing, Damian has a track record in helping businesses grow. Most recently he was CFO at Nexvet Biophama plc, which attracted significant US institutional backing and listed on NASDAQ in 2015. The business evolved to have research capabilities in Australia, clinical operations in the US and manufacturing operations in Ireland. In 2017, following the successful completion of clinical trials for its lead program the business was acquired by Zoetis Inc. Damian was also CFO at Biota and was instrumental in securing and managing major licences with global pharmaceutical companies and securing a major US grant that allowed the business to transition from the ASX to NASDAQ.

Damian broadens the board skillset with his global outlook, networks and strong commercial acumen.

Interest in Shares	203,716	Ordinary shares
Interest in Options	Nil	
Directorships held in other listed entities	Nil	
Interest in Contracts	Nil	

Glenn Haifer
(Retired 1 March 2019)

Non-Executive Director

Qualifications

Master of Business Administration—Australian Graduate School of Management (University of NSW), Bachelor of Medicine and Bachelor of Surgery (University of Witwatersrand, Johannesburg)

Experience

Glenn Haifer has over 30 years' experience in the healthcare sector. He has successfully established 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 listed company.

Glenn is an experienced company director. His current Directorships include being Executive Chairman of CPR Pharma Services with subsidiaries employing 150 staff - Agilex Biolabs the leading Bioanalytical laboratory in Australia and Avance Clinical a CRO, Sun Doctors, a healthcare organisation that employs 250 staff and contracting doctors and offers special interest medical services, and access to one of the largest private histopathology laboratories in Australia.

He is a Non-executive Director of Aurora Expeditions, an expedition company and travel agency that operates in remote areas of the world including the polar regions. He was also previously a Non-executive Director of BDS Vircon, a multinational engineering services business employing over 300 staff, which was sold to a US listed public company in October 2016.

In addition to his 20 years' experience in general management of health care service delivery, Glenn is a Medical Consultant to Apotex Pharmaceuticals and was formerly the Australasian Medical Consultant to P&O / Princess Cruises.

Glenn is a registered Australian Specialist Medical Practitioner, and a fellow of the College of Rural and Remote Medicine. He is a member of the Australian Institute of Company Directors, and was previously a member of the American Stock Exchange in New York.

Interest in Shares	Nil	
Interest in Options	Nil	
Third Party Holdings		
- Jed Asset Co Pty Ltd	1,666,667	Ordinary Shares
Directorships held in other listed entities	Nil	
Interest in Contracts	Nil	

The information provided above is current as at the date of retirement, 1 March 2019.

Information on Directors

Matthew Michalewicz
(Retired 22 October 2018)

Non-Executive Director

Qualifications

Bachelor of Science, Business Administration and Corporate Finance (University of North Carolina)

Experience

Matthew 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 currently the CEO of Complexica Pty Ltd, a provider of artificial intelligence software applications that help large organisations increase revenue, margin and customer engagement through automated analytics.

Matt has extensive experience as an international business executive specialising in start-ups, raising capital, technology commercialisation, sales and marketing strategy and execution, international expansion, corporate governance and mergers and acquisitions.

Prior to co-founding Complexica, he was the CEO of SolveIT Software Pty Ltd, a provider of artificial intelligence software for optimising complex supply chains. He grew that company from zero to 180 employees during 2005-12 while building revenue in excess of A$20 million per annum. The company was also named the third fastest growing in Australia by Deloitte in 2012.

He is a Director on three boards: ComOps Ltd (ASX:COM), Prophecy International Ltd (ASX:PRO) and Complexica, and has served on numerous other boards throughout his career.

Matt was named 2002 Alumnus of the Year for outstanding business achievements by the University of North Carolina. He completed a Company Director's Course (CDC) at the Australian Institute of Company Directors.

He has also been awarded numerous prestigious awards throughout his career including Pearcey Foundation Entrepreneur of the Year, Ernst & Young Entrepreneur of the Year finalist, Forty under 40 by the Charlotte Business Journal and Entrepreneur of the Year by the Charlotte Chamber of Commerce.

Interest in Shares	333,334	Ordinary Shares
Interest in Options	Nil	
Directorships held in other listed entities	ComOps Ltd (ASX:COM) March 2016 to Present Prophecy International Ltd (ASX:PRO) May 2014 to Present	
Interest in Contracts	Nil	

The information provided above is current as at the date of retirement, 22 October 2018.

Remuneration Report

This report details the nature and amount of remuneration of each key management person of LBT and for the executives receiving the highest remuneration.

Remuneration Policy

The Remuneration Policy of LBT has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results.

The key objectives of the Nominations and Remuneration Committee are to appropriately and effectively attract and retain the best executives and directors to run and manage the Company.

The Remuneration Policy, setting the terms and conditions for non-executive and executive directors and other senior executives, was developed by the Nominations and Remuneration Committee and approved by the Board.

The Remuneration Policy has been tailored to ensure alignment between management and shareholder interests through:

- Performance bonuses based on key performance indicators (KPIs), and
- Issue of options to the directors and executives to encourage the alignment of personal and shareholder interests.

The fixed remuneration component is determined with regard to market conditions, so that the Company can recruit and retain the best available talent. The Board's policy regarding incentives includes granting options with an exercise price at a premium to the underlying market value of shares at the time of grant, and vesting subject to the achievement of preset KPIs that are expected to align with shareholder expectations. This policy aligns the interests of option holders with those of shareholders and creates a direct relationship between individual remuneration outcomes and Company performance. Option holders will only benefit in circumstances where relevant KPI milestones are met and there is a material increase in the underlying share price from the time of grant of the options.

The relationship between the Board's policy and the Company's performance in terms of earnings and shareholder wealth is illustrated by the following table that shows the gross revenue, profits/(losses), available cash and closing share prices on 30 June for the past five years. During the financial year, the Company's share price traded between a low of $0.058 and a high of $0.245.

	2019	2018	2017	2016	2015
Revenue	$2.90m	$5.96m	$5.92m	$7.73m	$2.37m
Net Profit / (Loss) for the year	($4.35m)	($2.69m)	($5.13m)	$3.58m	$0.32m
Available cash	$10.18m	$7.57m	$3.50m	$4.68m	$1.82m
Year-end share price	$0.115	$0.115	$0.25	$0.145	$0.06

In addition to the above financial metrics, the Board also considers the achievement of non-financial milestones or KPIs. In the current year, ended 30 June 2019, the following milestones were considered relevant in assessing the Company's performance:

- Completion of the development of the automated instrument, APAS® Independence, culminating in the first sale of a production unit.
- Establish a Key Opinion Leader site in the US, and commencement of early sales activities ahead of FDA clearance.
- FDA clearance of the APAS® Instrument.
- Ensure the Company is appropriately resourced and funded, to support the business for at least the next 12 to 18 months.

The LBT Board policy for determining the nature and amount of remuneration for board members and senior Company executives follows.

Remuneration Report cont.

Executive Terms & Conditions

All executives receive a base salary, based upon performance, professional qualifications and experience, and superannuation, fringe benefits, options and performance incentives.

The Nominations and Remuneration Committee reviews executive packages annually with reference to the Company's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

Performance Measurement

The performance of executives is measured against criteria agreed annually with each executive and is based upon the achievement of the strategic objectives to secure the Company's future profits and shareholder value.

All bonuses and incentives which include employee option arrangements must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can decide changes to the Nominations and Remuneration Committee's recommendations.

Any change must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

Key Performance Indicators (KPIs):

KPI's are set annually

- By the Board on recommendation from the Nominations and Remuneration Committee. The measures are specifically tailored to the responsibility areas in which the executive is directly involved;
- To target areas the Board believes hold greater potential for business expansion and profit;
- To cover financial and non-financial as well as short and long-term goals; and
- Are usually based on budgeted figures for the Company and respective industry standards.

Performance in relation to KPIs is assessed annually, with minor quarterly reviews and bonuses being awarded depending on the number and difficulty of the KPIs achieved.

Following this assessment, KPIs are reviewed by the Nominations and Remuneration Committee in light of their desired and actual outcomes. The efficacy of the KPIs is assessed in relation to the Company's goals and shareholder wealth, before the KPIs are set for the following year. Where advisable, independent reports are obtained from external organisations. KPIs for the CEO are set in Key Result Areas of Finance, Corporate Strategy, Investor Relations and Human Resources, with an emphasis on achieving the Company's financial goals. Any bonus payment is negotiated in line with achievement of KPIs and is weighted towards financial outcomes.

Superannuation

Non-executive directors and executives receive a superannuation guarantee contribution required by the government, which was 9.5% in the 2018/19 financial year, they do not receive any other retirement benefits. Individuals may choose to sacrifice part of their salary to increase payments towards superannuation.

Non-Executive Directors

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Nominations and Remuneration Committee determines payments to non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

Fees for non-executive directors are not linked to the performance of the Company. To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the Employee Share Option Plan.

Shares & Options

Shares provided to directors and executives are valued at their fair value on the date granted based on market prices. Options granted to directors and executives are valued at their fair value using the Binomial option-pricing model.

Key Management Personnel Remuneration

2019	Cash Salary, Fees & Commissions	Cash Bonus	Superannuation Contributions	Options	Total
	$000	**$000**	**$000**	**$000**	**$000**
Mr B Barnes[1]	288	50	27	36	401
Mrs C M Costello	63	0	20	0	83
Mr S Mathwin	34	0	20	0	54
Dr C Popper	47	0	0	0	47
Mr S Arkell [2]	19	0	0	0	19
Mr D Lismore [3]	6	0	6	0	12
Dr G Haifer [4]	29	0	3	(37)	(5)
Mr M Michalewicz [5]	12	0	1	(37)	(24)
Mr P Bradley	209	0	20	0	229
Mr D Hill	12	0	0	0	12
Mr R Ridge	175	0	0	0	175
	894	**50**	**97**	**(38)**	**1,003**

2018	Cash Salary, Fees & Commissions	Cash Bonus	Superannuation Contributions	Options	Total
	$000	**$000**	**$000**	**$000**	**$000**
Mr B Barnes[1]	281	131	25	337	774
Mrs C M Costello	58	0	23	0	81
Mr S Mathwin	34	0	22	0	56
Dr C Popper	45	0	0	0	45
Dr G Haifer [4]	37	0	4	37	78
Mr M Michalewicz [5]	35	0	3	37	75
Mr R Finder[6]	6	0	1	0	7
Mr P Bradley	209	0	19	0	228
Mr D Hill	26	0	0	0	26
Mr R Ridge[7]	133	0	0	0	133
	864	**131**	**97**	**411**	**1,503**

(1) Mr Barnes received 1,500,000 options on 18 November 2016, following shareholder approval. The terms of the options were finalised with Mr Barnes on 5 May 2016 upon his acceptance of the letter of offer of employment as CEO and Managing Director. The option exercise price of $0.157 was based upon the volume weighted average share price for the five trading days prior to the 5 May 2017. However, in accordance with AASB2 "Share Based Payments", the fair value of the options was calculated on the date shareholders approved the grant of the options (16 November 2016). In that intervening period between when the option pricing was agreed in May and the date of shareholder approval in September, LBT's share price had increased to $0.485 which significantly inflated the option valuation. The option value is being expensed over the two year vesting period from commencement of employment on 8 August 2016. The bonus for Mr Barnes in the 2018 year included a bonus related to both the 2017 year and the 2018 year, as the 2017 bonus was approved by the Board after the finalisation of the 2017 Annual Financial Report and was therefore recognised as an expense in the 2018 year.

(2) Mr Arkell commenced as a Non-executive Director on 30 January 2019.

(3) Mr Lismore commenced as a Non-executive Director on 25 March 2019.

(4) Dr Haifer received 500,000 options on 1 December 2017, following shareholder approval. The option exercise price of $0.30 was based upon the volume weighted average share price for the five trading days prior to the 1 September 2017. In 2018 the option value was being expensed over the two year vesting period from commencement of employment on 1 September 2017. As Dr Haifer retired on 1 March 2019, before the options vested, the 2018 year expense has been reversed through the Statement of Comprehensive Income / (Loss) in the 2019 year.

(5) Mr Michalewicz received 500,000 options on 1 December 2017, following shareholder approval. The option exercise price of $0.30 was based upon the volume weighted average share price for the five trading days prior to the 1 September 2017. In 2018 the option value was being expensed over the two year vesting period from commencement of employment on 1 September 2017, As Mr Michalewicz retired on 22 October 2019, before the options vested, the 2018 year expense has been reversed through the Statement of Comprehensive Income / (Loss) in the 2019 year.

(6) Mr R Finder retired on 31 July 2018.

(7) Mr Ridge commenced as CFO on 25 August 2017.

This concludes the remuneration report, which has been audited.

Meetings of Directors

During the financial year to 30 June 2019, eleven meetings of directors were held. Attendances by each director during the reporting period were:

	Number Eligible to Attend	Number Attended
Mr B Barnes	11	11
Mrs C M Costello	11	11
Mr S Mathwin	11	11
Dr C Popper	11	10
Mr S Arkell	6	6
Mr D Lismore	4	4
Dr G Haifer (retired)	7	5
Mr M Michalewicz (retired)	4	3

During the financial year to 30 June 2019, four meetings of the Audit Committee were held. Attendances by each member during the reporting period were:

	Number Eligible to Attend	Number Attended
Mr S Mathwin (Chair)	4	4
Mr S Arkell	2	2
Mr D Lismore	1	1
Dr G Haifer (retired)	3	2
Mr M Michalewicz (retired)	2	2

During the financial year to 30 June 2019, two meetings of the Nominations and Remuneration Committee were held. Attendances by each member during the reporting period were:

	Number Eligible to Attend	Number Attended
Dr C Popper (Chair)	2	2
Mrs C Costello	2	2
Mr S Mathwin	2	2

Indemnifying Officers or Auditor

The Company has paid a premium to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct, while acting in the capacity of director of the Company, other than conduct involving a willful breach of duty in relation to the Company. The amount of premium has not been disclosed as it is confidential under the terms of the insurance policy.

Option Details

At the date of this report, the unissued ordinary shares of LBT under option are as follows:

Date of Expiry	Exercise Price	Number of Options	No of Shares due on Conversion
24/08/2020	$0.065	200,000	200,000
11/12/2023	$0.045	100,000	100,000
11/04/2026	$0.141	500,000	500,000
07/08/2026	$0.157	1,500,000	1,500,000
22/12/2026	$0.320	100,000	100,000
28/02/2027	$0.400	200,000	200,000
		2,600,000	2,600,000

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceeding to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any proceedings during the reporting period.

Non-audit Services

There were no fees for non-audit services paid/payable to the external auditors during the years ended 30 June 2019 and 30 June 2018.

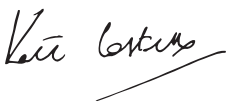
Auditor Independence Declaration

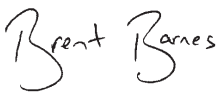
The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 27.

Rounding of Amounts

The Entity has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, amounts in the financial statements have been rounded off to the nearest $1,000.

Signed in accordance with a resolution of the Board of directors.





Catherine Costello
Chairman

Brent Barnes
Chief Executive Officer

Dated at Adelaide this 29th day of August 2019.

Auditors' Independence Declaration

LBT INNOVATIONS LIMITED

ABN 95 107 670 673

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of LBT Innovations Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

HLB Mann Judd

HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Jon Colquhoun
Director

Adelaide, South Australia
29 August 2019

hlb.com.au
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Statement of Comprehensive Income/Loss

For the Year Ended 30 June 2019

	Note	2019 $000	2018 $000
Revenue	2	2,553	5,704
Cost of goods sold		(222)	0
Gross Profit		**2,331**	**0**
Other Revenue	2	350	254
Consulting Fees	3a	(205)	(389)
Share of loss of joint ventures accounted for using the equity method	8	(2,297)	(1,027)
Employee benefits expense	3b	(1,598)	(2,051)
Depreciation and amortisation expense		(2,153)	(53)
General administration expenses		(434)	(395)
Legal		(14)	(138)
Marketing		(104)	(32)
Finance costs		(19)	0
Other expenses	3c	(1,851)	(6,174)
Loss Before Income Tax		**(5,994)**	**(4,301)**
Income tax benefit	4	1,644	1,616
Net Loss for the Year		**(4,350)**	**(2,685)**
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		78	2
Total comprehensive loss for the year		**(4,272)**	**(2,683)**
Basic loss per share (cents per share)	17	(2.15)	(1.70)
Diluted loss per share (cents per share)	17	(2.15)	(1.70)

The accompanying notes form part of the financial statements.

Statement of Financial Position

As at 30 June 2019

	Note	2019 $000	2018 $000
Assets			
Current Assets			
Cash and cash equivalents	5	10,175	7,572
Trade and other receivables	6a	302	251
Current tax asset		1,010	1,661
Total Current Assets		**11,487**	**9,484**
Non-Current Assets			
Trade and other receivables	6b	350	0
Plant and equipment	7	89	90
Investments accounted for using the equity method	8	0	151
Financial assets	9	7,115	7,745
Deferred tax assets	18	965	517
Intangible assets	10	18,119	18,122
Total Non-Current Assets		**26,638**	**26,625**
Total Assets		**38,125**	**36,109**
Current Liabilities			
Trade and other payables	11a	698	1,864
Financial liabilities	12a	271	0
Total Current Liabilities		**969**	**1,864**
Non-Current Liabilities			
Trade and other payables	11b	250	0
Financial liabilities	12b	2,263	0
Deferred tax liabilities	18	5,032	5,053
Provisions	13	93	83
Total Non-Current Liabilities		**7,638**	**5,136**
Total Liabilities		**8,607**	**7,000**
Net Assets		**29,518**	**29,109**
Equity			
Issued capital	14	35,565	30,855
Reserves	15	1,087	1,038
Accumulated losses		(7134)	(2,784)
Total Equity		**29,518**	**29,109**

The accompanying notes form part of the financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2019

	Option Reserve $000	Foreign Currency Translation Reserve $000	Share Capital $000	Accumulated Losses $000	Total $000
Balance at 30 June 2017	**499**	**112**	**20,881**	**(99)**	**21,393**
New shares issued	0	0	10,322	0	10,322
Share issue as compensation	0	0	115	0	115
Options granted as remuneration	425	0	0	0	425
Capital raising costs	0	0	(558)	0	(558)
Tax effect attributable to capital raising costs	0	0	95	0	95
Other Comprehensive Income	0	2	0	0	2
Net Loss for the year	0	0	0	(2,685)	(2,685)
Balance at 30 June 2018	**924**	**114**	**30,855**	**(2,784)**	**29,109**
New shares issued	0	0	4,990	0	4,990
Options granted as remuneration	45	0	0	0	45
Options lapsed	(74)	0	0	0	(74)
Capital raising costs	0	0	(356)	0	(356)
Tax effect attributable to capital raising costs	0	0	76	0	76
Other Comprehensive Income	0	78	0	0	78
Net Loss for the year	0	0	0	(4,350)	(4,350)
Balance at 30 June 2019	**895**	**192**	**35,565**	**(7,134)**	**29,518**

The accompanying notes form part of the financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 $000	2018 $000
Cash Flows From Operating Activities			
Reimbursement of expenses from JV Company		2,290	7,592
Government grants received		45	27
Payments to suppliers and employees		(5,160)	(10,697)
Research and development tax concession		1,901	4,325
Interest received		117	78
Net Cash Provided by/(Used in) Operating Activities	16	**(807)**	**1,325**
Cash Flows From Investing Activities			
Research and development (intangible asset)		(2,230)	(2,488)
Payments for plant and equipment		(43)	(68)
Loan provided to Joint Venture company		(1,476)	(4,451)
Net Cash Used in Investing Activities		**(3,749)**	**(7,007)**
Cash Flows From Financing Activities			
Cash proceeds from new shares issued		4,990	10,322
Loans received		2,500	0
Capital raising costs		(331)	(566)
Net Cash Provided by Financing Activities		**7,159**	**9,756**
Net increase in cash and cash equivalents		2,603	4,074
Cash and cash equivalents at beginning of year		7,572	3,498
Cash and Cash Equivalents at end of year	5	**10,175**	**7,572**

The accompanying notes form part of the financial statements.

Notes to the financial statements

For the year ended 30 June 2019

1. Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act 2001.

The financial report covers LBT Innovations Ltd (LBT or the Company), a public company incorporated and domiciled in Australia and were authorised for issue on the 29 August 2019 by the Directors of the Company.

The financial report of LBT complies with all International Financial Reporting Standards (IFRS) in their entirety and are presented in Australian dollars, which is LBT's functional and presentation currency.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a. Income Tax

The current income tax benefit / (expense) is based on the (loss) / profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1. Statement of Significant Accounting Policies cont.

b. Plant and Equipment

Plant and equipment is measured on the cost basis less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

All repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a straight-line basis over its useful life to the Company, commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate per annum
Plant and Equipment	5–33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Any asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

c. Intangibles

APAS® Development Costs

Capitalised APAS® development costs include software development, consulting and some internal salaries incurred from December 2013.

Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these costs can be reliably measured.

During the year ending 30 June 2019, the development of the APAS® Independence instrument was finalised together with the Urine Analysis module applicable to Australia. This enabled the first sale of an instrument to occur in Australia.

Amortisation of the APAS® development costs have commenced from August 2018, being the month of that first sale. LBT have assessed the useful life of the instrument to be 8 years, based on a review of other similarly priced capital items involving new technology within the same culture plate process. The amortisation is calculated on a straight-line basis as being the most appropriate method to reflect the realisation of the future economic benefits arising from the development of the APAS® technology.

The APAS® Independence instrument will not function without the Analysis Module (AM) software. A separate Analysis Module needs to be developed for each particular specimen type and for the different particular type of culture plate media used. Different geographies globally utilise different culture plate media for the same specimen testing. A core group of AMs are required to ensure at least the two most common specimen tests are available on the most commonly used culture plate media used in each of the target markets. The development costs for these core group of AMs are required to realise the sales potential of the physical instrument. These development costs are being capitalised as a separate asset from August 2018 onwards.

Licence Fees and Option Fees

Licence fees and option fees are valued in the accounts at cost of acquisition and are amortised over the period in which their benefits are expected to be realised.

Research Expenditure

Expenditure during the research phase of a project is recognised as an expense when incurred.

d. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

1. Statement of Significant Accounting Policies cont.

e. Financial Instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Impairment – Financial Instruments

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Financial Assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial Liabilities

Financial liabilities are recognised at amortised cost less principal payments and amortisation.

f. Investment Accounted for Using the Equity Method

Investment in Joint Venture

LBT established a joint venture company, Clever Culture Systems AG (JV Company), with Hettich Holding Beteiligungs- und Verwaltungs-GmbH. LBT has a 50% interest in the JV Company into which it has contributed CHF25,000 share capital and granted a licence to use its APAS® technology. Hettich Holding Beteiligungs- und Verwaltungs-GmbH (Hettich) also holds a 50% interest in the JV Company into which it has contributed CHF25,000 share capital and an initial shareholder loan of $4 million. Subsequent funding is being provided by LBT and Hettich equally as shareholder loans.

The investment in the JV Company is accounted for using the equity method in accordance with AASB 128. Under the equity method, the investment in the JV Company is initially recognised in the balance sheet of LBT at cost, and adjusted for post-acquisition changes in LBT's share of net assets in the JV Company. The initial cost of the investment into the JV Company was assessed as the CHF25,000 share capital contribution together with the fair value of the licence granted to the JV Company to use its APAS® technology, being $1.51 million.

During the year ended 30 June 2019, the continued adjustments to the investment value from applying LBT's share of the reducing net assets in the JV Company, has resulted in the investment value being reduced to nil. Consistent with Accounting Standard AASB 128, once the investment value is reduced to nil, LBT's share of further reductions in the net assets of the JV Company are recognised as a provision against the recoverability of the shareholder loans to reflect that the repayment of the shareholder loans are more in the nature of an 'equity' style risk.

Financial statements of the JV Company are aligned to the same reporting period as LBT and have been amended where the JV Company's accounting policies are inconsistent with that of LBT.

During the period ending 30 June 2019, LBT's 50% share of the change in net assets of the JV Company over that period was a loss of ($2,297,000). A further amount of $78,000 was included in comprehensive income relating to the positive impact on LBT's share of net assets due to the movement in exchange rates over the period. The equity accounted loss, net of the foreign exchange impact, of ($2,219,000) was applied to reduce the carrying amount of LBT's investment and shareholder loans as follows:

- $151,000 Investment (reduction in carrying value to nil) – refer note 8.
- $2,068,000 Shareholder loans (the remainder of the equity accounted loss) – refer note 9.

As at 30 June 2019, the total carrying value of the investment in, and the loan to, the JV company is $7.1 million.

1. Statement of Significant Accounting Policies cont.

g. Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates – Impairment

The Company assesses impairment regularly and formally at the end of each reporting period by evaluating the conditions and events specific to the Company that may be indicative of impairment triggers.

The carrying amount of $25.2 million (2018: $26 million) for the following assets are dependent on sufficient future cash flows generated through sales of the APAS® instrument and ongoing licence fees, received through LBT's 50% owned joint venture company, CCS, together with LBT's expected direct earnings through a share of the ongoing licence fees globally and distribution fees for sales in Australia & New Zealand:

- $7.1 million loan to CCS, including accrued interest - refer note 9;
- $18.1 million intangible assets, being the capitalised development costs for the APAS® instrument and development modules - refer note 10.

The Company first assesses the $7.1m loan to CCS as a Financial Asset pursuant to the requirements of Accounting Standard AASB 9 Financial Instruments (refer Note 1(e)). There has been no recognition of a credit loss provision on the basis of the assessed ability for CCS to repay the full value of the loan based on expected future profitability of CCS though sales of the APAS® instrument.

Following the assessment of the Financial Asset, the total carrying amount of the APAS® related assets of $25.2 million (2018: $26 million) are formally assessed against their estimated recoverable amount, consistent with Accounting Standard AASB 136 Impairment of Assets. The recoverable amount is assessed using a value-in-use calculation, comprising a forecast of cash flows associated with future sales of the APAS® instrument, discounted to net present value. The forecast incorporates various key assumptions outlined further below. For the purpose of the cash flow forecasts, the cash generating unit has been identified as comprising the Company in its entirety, including its 50% share of forecast cash flows in its joint venture company, CCS. The discounted cash flow forecast indicates a recoverable amount of $42.1 million (2018: $46.2 million). The assessed recoverable amount remains in excess of the carrying value of the APAS® related assets by $16.9 million (2018: $20.2 million). On this basis, directors have concluded an impairment of the APAS® related assets is not required.

While the directors are confident that the cash flow forecast can be achieved, there remains a significant uncertainty with regard to the key assumptions on sales numbers and sales growth rates. In the event that sales numbers or sales growth rates are adverse from initial forecast, this could significantly impair the $25.2 million APAS® related assets recognised in the financial statements as at 30 June 2019.

Assumptions

A description of the assumptions underlying the forecast cash flows is described below.

Sales Projections

Sales projections are based on a unit sales price of CHF300,000 ($438,340) per instrument and CHF30,000 ($43,834) per annum ongoing licence fee with an expected minimum physical useful life of seven years per instrument, less distributor fees ranging from 30% to 35%. The unit sales are based upon the Company's targeted markets and prior experience in bringing a new medical device technology to the market, together with historical market knowledge for other devices in the culture plate process, involving new technology at a similar price per unit.

1. Statement of Significant Accounting Policies cont.

g. Impairment of Non-Financial Assets cont.

Key Estimates – Impairment cont.

The forecast period is 7.5 years through to December 2026. Accounting Standard AASB136 Impairment of Assets, clause 33(b) prescribes that "Projections based on budgets/forecasts shall cover a maximum period of five years, unless a longer period can be justified". The directors believe that a 7.5 year period for the cash flow projections is considered appropriate on the basis of the following estimated timelines:

- By end of 2020. Distributors are targeted to be appointed by the end of calendar year 2020. True sales potential will only be achieved through the appointment of distributors. The length of time anticipated to appoint distributors reflects that:
  - the APAS® instrument is a new technology. This near-term focus is to raise awareness of the instrument. There is only a modest amount of sales forecast in this period, with potential customers taking time to perform their own validations of this new technology; and
  - although the physical instrument is complete, the achievement of sales potential will require regulatory cleared Analysis Modules for at least two of the highest volume culture plate tests (Urine and MRSA specimens). Tests for each of these two specimen types, will need to be tailored to different culture plates most commonly used in each of the US and the EU. Additional Analysis Modules will continue to be developed beyond 2020, which further increases the clinical utility of the instrument and increases the global market opportunity.
- By end 2026. Following training of distributors, sales are assumed to significantly grow through the appointment of distributors in the key geographies to a peak of approximately 200 instrument sale per annum by the final year of the forecast period.

The time frame to distributor appointments has been extended by one year compared to our original assumptions, in line with our current distributor evaluation under way. This was largely due to delays in the development and regulatory clearance for Analysis Modules. The FDA cleared the APAS® Independence instrument with associated Urine Analysis Module in May 2019. MRSA for the EU is currently undergoing clinical trials and is expected to be available for sale, following a self-certification regulatory process, late in the Q3 2019. The MRSA Analysis Module for US culture plate types is targeted to be submitted to the US FDA in the Q1 2020. It is expected FDA clearance for this module will occur within the 2020 calendar year. The Urine Analysis Module for the EU is expected to be available for sale by Q3 2020.

Terminal Value

The terminal value is calculated based on a reduced ongoing sales projection of 15% of the year seven peak sales, or 29 instruments per annum, with the installed base reducing over time to 176 units. A price earnings multiple of three times earning has been used, reflecting that the instrument would be late in its product life cycle at that point. Terminal value also includes the annual licence fee 'run-off' for the installed base at December 2026, assuming an average of five annual licence renewals per instrument following the year of sale.

Discount Rate

A nominal pre-tax discount rate of 20% has been used in the discounted cash flow modelling. This is unchanged from the prior reporting period ended 30 June 2018. This is based on the average Price-Earnings ratio of ASX listed entities, adjusted for management's view of a risk premium appropriate for LBT as a pre-revenue listed entity, at the current stage of commercialisation of the APAS® instrument.

Sensitivity of Assumptions

Sensitivity of the discounted cash flow forecast to separate changes in the above assumptions is provided as follows:

- the pre-tax nominal discount rate can be increased to 27% (2018: 28.6%) before the discounted cash flow forecast approximates the carrying value of $25.4 million; or
- the number of units sold can be reduced by 27% across the forecast period before the discounted cash flow forecast approximates the carrying value of $25.4 million; or
- the average sales price per instrument together with the ongoing licence fee can be reduced by 20% before the discounted cash flow forecast approximates the carrying value of $25.4 million; or
- AUD:CHF exchange rate could increase to 0.83 before the discounted cash flow forecast approximates the carrying value of $25.4 million.

A delay of 6 months to the anticipated timeframe for the development of the MRSA and Urine Analysis Modules for the EU and the US would reduce the discounted cash flow forecast by approximately $7 million.

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions.

1. Statement of Significant Accounting Policies cont.

i. Revenue Recognition

Revenue from Contracts with Customers

LBT has recognised its first sale of an APAS® instrument in the year ended 30 June 2019. LBT sold the instrument, as the appointed Australia & New Zealand distributor of the APAS® Independence for its Joint Venture company CCS.

In accordance with AASB 15, the sales contract has been divided into two performance obligations, each being a promise to transfer to the customer a good or service that is distinct. Revenue is then recognised when (or as) the entity satisfies each performance obligation by transferring a promised good or service (i.e. an asset) to the customer. An asset is transferred when (or as) the customer obtains control of that asset. The performance obligations are as follows:

- One year maintenance and support. Part of the total contracted sale price is attributed to this service based on the list price of $40,000 per annum for annual maintenance and support following the one-year 'free' maintenance and support included in the contract price. This first year of maintenance and support will commence from when the customer has integrated the instrument into its Laboratory Information System. The present value of these services has been recorded as a contract liability for the provision of the one-year maintenance and support services in the future.
- The remainder of the contracted sales price is attributed to the sale of the instrument. The instrument was delivered, tested and handed over to the customer in August 2018. The contract provides for a payment plan over three years, and consistent with AASB 15, the sale price attributed to the sale of the instrument has been discounted to net present value.

Once the customer has integrated the instrument with its Laboratory Information System, it will need to enter into an annual software licence agreement, prior to the instrument being used for routine clinical purposes.

Revenue from Consulting Services Provided to CCS

LBT's staff provide a number of services to CCS, such as general management of the joint venture company, management of the design and development of the APAS® instrument, management of the supplier of the instrument clinical trials, regulatory submissions, and some sales related activities outside of Australia including installation and support at potential customer sites and key opinion leader sites.

The costs of staff time are invoiced by LBT on a cost plus a standard mark-up for oncosts. The invoicing from the provision of services is recognised as revenue in the month the services are provided.

Revenue from Other Services provided to CCS

Costs incurred by LBT in the course of the provision of the above Consulting Services are invoiced to CCS at cost, on a monthly basis. Revenue is recognised in the month the costs are incurred.

Interest Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established

All revenue is stated net of the amount of goods and services tax (GST).

j. Share-Based Payments

Equity Settled Transactions

The Company currently has a Directors and Employee Share Option Plan in place to provide benefits to directors and executives in the form of share-payments whereby they render services in exchange for shares or rights over shares (equity-settled transactions).

The Company may also provide options to selected consultants in exchange for their services.

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted or in the case of options subject to shareholder approval, then fair value at the date of shareholder approval. The fair value is determined using the Binomial option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant party becomes fully entitled to the award (the vesting period).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

1. Statement of Significant Accounting Policies cont.

k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l. Foreign Currency Transactions and Balances

Foreign currency transactions during the year were converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date were converted at the rates of exchange ruling at that date.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income.

LBT's joint venture's transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange at the statement of financial position's date. Any resulting exchange differences are included in the comprehensive income statement. Non-monetary assets and liabilities, other than those measured at fair value are not retranslated subsequent to initial recognition.

In the financial statements, the assets and liabilities of LBT's non-Australian dollar functional currency joint venture are translated into Australian dollars at the rate of exchange at the statement of financial position's date.

m. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

n. Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expenses are recognised as income over the periods necessary to match grants to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

o. Adoption of New and Revised Accounting Standards

New and revised standards which were effective for annual periods beginning on or after 1 July 2018 are as follows:

- AASB 15 Revenue from Contracts with Customers and
- AASB 9 Financial Instruments (2014) became effective for periods beginning on or after 1 January 2018.

Accordingly, the Company applied AASB 15 and AASB 9 for the first time for the year ended 30 June 2019. Changes to the Company's accounting policies arising from these standards are summarised below.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018. There is no impact to the Company's historical financial results and revenue recognised in the period ended 30 June 2019 (refer note 1 (i)).

AASB 9 Financial Instruments

LBT has adopted AASB 9 Financial Instruments on 1 July 2018. AASB 9 replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement, and includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment on financial assets. It also carries forward the guidance on recognition and derecognition of financial liabilities from AASB 139.

Classification

From 1 July 2018, the Company classifies financial assets as either:

- Those measured at fair value, with adjustments to fair value recorded through Other Comprehensive Income (FVOCI) or through profit or loss (FVTPL), and
- Those measured at amortised cost.

1. Statement of Significant Accounting Policies cont.

o. Adoption of New and Revised Accounting Standards cont.

AASB 9 Financial Instruments cont.

The Company's Financial Assets and Trade and Other Receivables are held within a business model whose objective is to collect contractual cash flows and have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Therefore, these balances are measured at amortised cost under AASB 9, which is consistent with their treatment in prior years.

There has been no change in the classification of the Company's Financial Assets, or Trade and Other Receivables, Cash and Cash Equivalents, Financial Liabilities, or Trade and Other Payables - these items continue to be measured at amortised cost.

Impairment

The Company's Financial Assets and Trade and Other Receivables are subject to AASB 9's new expected credit loss (ECL) model for recognising and measuring impairment of financial assets.

The Company has adopted the simplified approach under AASB 9 for calculating the allowance. The collective loss allowance is determined based on the historical default percentage In each portfolio and adjusted for other current observable and forward-looking information as a means to estimate lifetime ECL for similar financial assets. As a result of this process no provision was considered necessary for the year ended 30 June 2019, and an adjustment was not necessary for comparative information.

p. Accounting Standards Not yet Effective and Not Adopted Early

The Company notes the following Accounting Standards which have been issued but are not yet effective at 30 June 2019. These standards have not been adopted early by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below:

AASB 16 Leases

AASB 16 replaces AASB 117 Leases and some lease related interpretations. The new standard requires all leases to be accounted for as 'on balance sheet' by lessees, other than short term and low value asset leases. The standard provides new guidance on the application of the definition of lease and on sale and lease back accounting. The standard also requires new and different disclosures about leases. This standard does not apply mandatorily before 1 January 2019.

The Company has undertaken a detailed assessment of the impact of AASB 16. The Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

	2019 $000	2018 $000

2. Revenue

Revenue from contracts with customers	299	0
Revenue from consulting services to JV company	1,017	951
Revenue from other services provided to the JV company	1,237	4,753
Revenue	2,553	5,704
Other revenue		
Interest from Joint Venture CCS	171	119
Other interest	134	77
Grant income	45	27
Foreign exchange gain (loss)	0	31
Other Revenue	**350**	**254**
Total Revenue	**2,903**	**5,958**

3. Loss for the Year

Loss before income tax benefit from continuing operations includes the following items

(a) Consulting Fees		
Consulting fees include fees for international market research, scientific and professional consulting	205	389
(b) Employee Benefits Expense / (Income)		
Cash based employee benefits expense includes directors' fees, salaries and wages, including executive bonuses	1,627	1,626
Share based payments (refer note 21)	(29)	425
Total Employee Benefits Expense	**1,598**	**2,051**
(c) Other Expenses		
Auditors' remuneration[1]	46	46
Rent	87	107
Travel and accommodation	172	87
External research and development[2]	1,423	5,683
Sundry	123	251
Total Other Expenses	**1,851**	**6,174**

(1) The auditor did not provide any non-audit services to the Company during the year.

(2) The external research and development expenses of $1.42 million (2018: $5.68 million) incurred by LBT, relate to the engineering design and development of the physical APAS® instrument. These expenses are included in Other Expenses disclosed at Note 3 (c) above. The majority of these research and development expenses are invoiced under a contract for services to LBT's 50% owned JV company CCS. The amount invoiced of $1.24 million (2018: $4.75 million) is included in revenue disclosed separately in the financial statements.

	2019 $000	2018 $000

4. Income Tax

(a) The components of tax benefit comprise:		
Current tax	1,187	1,631
Deferred tax - origination and reversal of temporary differences	457	(15)
Income Tax Benefit	**1,644**	**1,616**
(b) The prima facie income tax benefit on the pre-tax accounting loss is reconciled to the income tax as follows:		
Prima facie income tax benefit on the pre-tax accounting loss at 27.5%	1,648	1,183
Adjusted for the tax effect of:		
R&D concession claim	459	950
Capital raising costs	64	69
Non-deductible expenses	(691)	(547)
Other	164	(39)
Income Tax Benefit	**1,644**	**1,616**

5. Cash and Cash Equivalents

Cash on hand and at bank	757	1,552
Cash on deposit	2,418	6,020
Total Cash and Cash Equivalents	**10,175**	**7,572**

	2019 $000	2018 $000

6. Trade and Other Receivables

(a) Current		
Trade debtors	87	0
Other receivables	145	55
GST refundable	70	196
Total Current Receivables - at amortised cost	**302**	**251**
(b) Non-Current		
Trade debtors	350	0
Total Non-Current Receivables - at amortised cost	**350**	**0**

Non-current debtors are the funds due from the sale of the APAS® instrument as a result of a payment plan (see note 1(i)).

Credit Risk

All receivables are within agreed payment terms. LBT has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for.

LBT has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 6 and Note 9. The class of assets described as "Trade and Other Receivables" (Note 6) and "Financial Assets" (Note 9) are considered to be the main sources of credit risk related to the Company,

On a geographical basis, the Group has credit risk exposures in Australia only.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date. As at 30 June 2019, the Company has determined that no credit loss provision is required.

	2019 $000	2018 $000

7. Plant and Equipment

Plant and equipment at cost	342	299
Less: accumulated depreciation	(253)	(209)
Total Plant and Equipment	**89**	**90**
Movements in Carrying Amount Movements in carrying amounts of plant and equipment between the beginning and the end of the financial year were as follows.		
Opening balance	90	65
Additions	43	63
Disposals	0	0
Depreciation expense	(44)	(38)
Closing Balance	**89**	**90**

	2019 $000	2018 $000

8. Investments Accounted for Using the Equity Method

(a) Recognition of Carrying Amounts

Investment in joint venture at cost (Note 1 (f))	1,539	1,539
Foreign currency translation reserve	192	114
Share of cumulative loss in joint venture	(1,731)	(1,502)
Closing Balance	**0**	**151**

LBT has a 50% interest in a joint venture with Hettich Holding Beteiligungs- und Verwaltungs-GmbH. The interest in the joint venture is held directly by LBT. The purpose of the joint venture is to finalise the development of LBT's APAS® technology, and subsequent manufacture, distribution and sales of that technology

The voting power held by LBT is 50%.

During the year ending 30 June 2019, the continued adjustments to the investment value from applying LBT's share of the reducing net assets in the JV Company, has resulted in the investment value being reduced to nil. Consistent with Accounting Standard AASB 128, once the investment value is reduced to nil, LBT's share of further reductions in the net assets of the JV Company are recognised as a provision against the recoverability of the shareholder loans to reflect that the repayment of the shareholder loans are more in the nature of an 'equity' style risk.

Financial statements of JV Company are aligned to the same reporting period as LBT and have been amended where the JV Company's accounting policies are inconsistent with that of LBT.

During the year ending 30 June 2019, LBT's 50% share of the change in net assets of the JV Company was a loss of ($2,297,000). A further amount of $78,000 was included in comprehensive income relating to the positive impact on LBT's share of net assets due to the movement in exchange rates over the period. The equity accounted loss, net of the foreign exchange impact, of ($2,219,000) was applied to reduce the carrying amount of LBT's investment and shareholder loans as follows:

- $151,000 Investment (reduction in carrying value to nil).
- $2,068,000 Shareholder loans (the remainder of the equity accounted loss) - refer note 9.

(b) Summarised Financial Information for Joint Ventures

Set out below is the summarised financial information for Clever Culture Systems AG (CCS). Unless otherwise stated, the disclosed information reflects the amounts presented in the financial statements of CCS, in accordance with Australian Accounting Standards. The following summarised financial information reflects the adjustments made by LBT when applying the equity method, including adjustments for any differences in accounting policies between LBT and the joint venture.

8. Investments Accounted for Using the Equity Method cont.

(b) Summarised Financial Information for Joint Ventures cont.

	2019 $000	2018 $000
Summarised Financial Position		
Assets		
Current Assets		
Cash and cash equivalents	233	724
Trade and other receivables	297	532
Inventory	855	246
Total Current Assets	**1,385**	**1,502**
Non-Current Assets		
Intangible assets	18,795	19,529
Total Non-Current Assets	**18,795**	**19,529**
Total Assets	**20,180**	**21,031**
Current Liabilities		
Trade and other payables	347	329
Total Current Liabilities	**347**	**329**
Non-Current Liabilities		
Non-current financial liabilities (loans from JV shareholders)	23,968	20,400
Total Non-Current Liabilities	**23,968**	**20,400**
Total Liabilities	**24,315**	**20,729**
Net Assets / (Liabilities)	**(4,135)**	**302**
LBT's share (%)	50%	50%
LBT's share of joint venture's net assets/ (liabilities)	(2,068)	151
Summarised Financial Performance		
Revenue	230	842
Depreciation and amortisation	(2,517)	0
Interest income	0	0
Interest expense	(490)	(317)
Other expenses	(1,673)	(2,612)
Loss After Tax from Continuing Operations	**(4,450)**	**(2,087)**
Other comprehensive income	12	33
Total Comprehensive Income / (Loss) for the Year	**(4,438)**	**(2,054)**
Dividends paid	0	0
LBT's Share of Joint Venture's Comprehensive Income / (Loss)	**(2,219)**	**(1,027)**

	2019 $000	2018 $000

9. Financial Assets

Interest on Loan to Joint Venture	312	141
Loan to Joint Venture	8,871	7,604
Provision of JV loss against loan receivable	(2,068)	0
Total Financial Assets	**7,115**	**7,745**

The loan is LBT's 50% contribution of the additional funding required by the joint venture company, CCS, in order to fund bringing the APAS® based products to market. Future profits of CCS will be applied to repay the loans to both LBT and CCS' other JV shareholder, Hettich Holding Beteiligungs- und Verwaltungs-GmbH. Therefore, recoverability of the loan is dependent on sufficient future profitability of APAS® instruments sold through CCS.

During the year ending 30 June 2019, the continued adjustments to the investment value from applying LBT's share of the reducing net assets in the JV Company, has resulted in the investment value being reduced to nil (refer to Note 8). Consistent with Accounting Standard AASB 128, once the investment value is reduced to nil, LBT's share of further reductions in the net assets of the JV Company are recognised as a provision against the recoverability of the shareholder loans to reflect that the repayment of the shareholder loans are more in the nature of an 'equity' style risk.

10. Intangible Assets

APAS® development costs (Note 1 (c))	18,491	18,246
Less: accumulated amortisation	(2,233)	(124)
	16,258	**18,122**
APAS® analysis module development (Note 1 (c))	1,861	0
Less: accumulated amortisation	0	0
	1,861	**0**
Total Intangible Assets	**18,119**	**18,122**

Movements in Carrying Amount

	AM Development Costs $000	APAS® Development Costs $000	Total Intangible Assets $000
Balance 30 June 2017	**0**	**15,864**	**15,864**
Additions	0	2,272	2,272
Disposals	0	0	0
Amortisation expense	0	(14)	(14)
Impairment	0	0	0
Balance 30 June 2018	**0**	**18,122**	**18,122**
Additions	1,861	245	2,106
Disposals	0	0	0
Amortisation expense	0	(2,109)	(2,109)
Impairment	0	0	0
Balance 30 June 2019	**1,861**	**16,258**	**18,119**

	2019 $000	2018 $000

11. Trade and Other Payables

(a) Current		
Trade creditors and other payables	698	1,864
Total Current Trade and Other Payables	**698**	**1,864**

(b) Non-Current		
Trade creditors and other payables	250	0
Total Non-Current Trade and Other Payables	**250**	**0**

The non-current liability relates to the transfer price payable by LBT to CCS for the purchase of the instrument sold by LBT, as the appointed distributor in Australia. CCS has granted LBT deferred payment terms, consistent with the deferred terms agreed between LBT and the end customer. The amount payable by LBT has been discounted to net present value. Refer note 1(i).

	2019 $000	2018 $000

12. Financial Liabilities

(a) Current		
Loan	271	0
Total Current Financial Liabilities	**271**	**0**

(b) Non-Current		
Loan	2,229	0
Unearned income	34	0
Total Non-Current Financial Liabilities	**2,263**	**0**

On the 28 August 2018, LBT executed a loan facility agreement with the South Australian government. The $4 million facility provides LBT with the ability to drawdown three instalments of $1 million, $1.5 million and $1.5 million, subject to the achievement of operational milestones. The interest rate for the loan is a 2% margin above the South Australian Government cost of funds and the South Australian Government have received a first ranking general security over the Company and its assets. The first two instalments totalling $2.5 million have been drawn down during the year ended 30 June 2019. The loan is presently an interest only loan, with interest payable quarterly. The remaining instalment of $1.5 million is available through to 31 December 2019, subject to the achievement of operational milestones. On 1 January 2020, the drawn-down amount converts to a principal and interest loan, repaid through fixed quarterly repayments though to 8 May 2024 (being five years from the first drawdown date).

Unearned income represents that portion of the contracted end customer price that is attributable to the first-year warranty period, including maintenance & support services, on the sale of the APAS®® Instrument. This part of the contracted price has been treated as a contract liability to provide these services in the future and will be recognised as revenue when these services have been provided (refer note 1(i)).

13. Provisions

Non-Current		
Provision long service leave	93	83
Total Non-Current Provisions	**93**	**83**

	2019 $000	2018 $000

14. Issued Capital

Issued and paid up capital		
235,339,786 (2018: 200,927,025) ordinary shares fully paid	38,527	33,537
Less: costs associated with capital raising		
Opening balance	(2,682)	(2,219)
Capital raising costs	(356)	(558)
Tax effect of capital raising costs	76	95
	35,565	**30,855**
	No.	No.
Ordinary shares		
At the beginning of the reporting period	200,927,025	139,973,064
Share purchase plan allotted 10 July 2017	0	1,923,057
New shares issued to Autobio on 1 December 2017	0	6,451,613
New shares issued to Medvet on 4 December 2017	0	432,620
New shares issued allotted 12 March 2018	0	25,164,711
Share purchase plan allotted 10 April 2018	0	3,246,666
New shares issued 26 April 2018	0	17,393,705
New shares issued 27 April 2018	0	3,674,922
New shares issued to Planet Innovation allotted 14 May 2018	0	2,666,667
New shares issued 11 June 2019	34,412,761	0
At Balance Date	**235,339,786**	**200,927,025**

Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary Shares

Each ordinary share is entitled to 1 vote when a poll is called otherwise each member present at a meeting or by proxy has a vote on a show of hands.

Option Holders

Each option entitles the holders to subscribe for 1 ordinary share in the capital of the Company. Options do not have voting rights attached, however ordinary shares issued on conversion carry the same voting rights as described above.

Capital Management

Management controls the capital of the Company in order to ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.

The Company has drawn-down $2.5 million of a $4 million loan facility provided by the South Australian government (refer note 12). There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

	2019 $000	2018 $000

15. Reserve

Option reserve of valuation of share options[1]	895	924
Foreign currency translation reserve[2]	192	114
Total Reserve Balance	**1,087**	**1,038**

(1) The option reserve represents the cumulative amortised value of share options issued as share based remuneration, net of the value of shares acquired under the employee share option plan.

(2) Exchange rate differences arising on the translation of LBT's 50% share of the net assets of CCS from CHF to AUD.

16. Cash Flow Information

Reconciliation of Cash Flow from Operations with Loss After Income Tax		
Net loss for the year	(4,350)	(2,685)
Add back non-cash Items		
Amortisation	2,109	15
Depreciation	44	38
Share based payments expense / (credit)	(29)	425
Shares in lieu of payment	0	115
Forex (gains) / losses	0	31
Share of joint venture loss using the equity method	2,297	1,026
Interest income on CCS loan income	(171)	(119)
Changes in Assets and Liabilities		
Decrease / (Increase) in current trade and other receivables	(51)	2,114
Decrease / (Increase) in non-current trade and other receivables	(350)	0
Decrease / (Increase) in deferred tax asset	(448)	(293)
Decrease / (Increase) in current tax asset	651	2,697
(Decrease) / Increase in current trade and other payables	(1,166)	(2,330)
(Decrease) / Increase in non-current trade and other payables	250	0
(Decrease) / Increase in provisions	10	44
(Decrease) / Increase in deferred tax liability	(21)	209
Decrease / (Increase) in the above related to investing and financing activities	418	38
Cash Flow from/(used in) Operations	**(807)**	**1,325**

	2019 $000	2018 $000

17. Earnings Per Share

Reconciliation of Earnings to Net Loss		
Net Loss	(4,350)	(2,685)
Earnings used in the calculation of basic earnings per share	(4,350)	(2,685)
Earnings used in the calculation of diluted earnings per share	(4,350)	(2,685)
Weighted average number of ordinary shares outstanding used in the calculation of basic earnings per share	202,718,374	158,209,168
Weighted average number of options outstanding	2,600,000	16,335,368
Weighted average number of ordinary shares outstanding and used in the calculation of diluted earnings per share	203,018,374	158,209,168

18. Tax

(a) Assets		
Deferred tax assets comprise;		
Accruals	36	23
Leave entitlements	81	72
Capital raising costs	226	214
Other	622	208
	965	**517**
(b) Liabilities		
Deferred tax liabilities comprise;		
Deferred income	28	96
Capitalised development expenditure	4,919	4,919
Other	85	38
	5,032	**5,053**
(c) Reconciliations		
i) Gross Movements		
The overall movement in the deferred tax account is as follows;		
Opening balance	(4,536)	(4,619)
(Charge)/credit to income statement	457	(1)
(Charge)/credit to equity	12	84
Closing Balance - Net Deferred Tax Liability	**(4,067)**	**(4,536)**

	2019 $000	2018 $000

18. Tax cont.

(c) **Reconciliations** cont.

ii) **Deferred Tax Assets**

The movement in deferred tax assets for each temporary difference during the year is as follows;

Non-Deductible Accrued Expenses		
Opening balance	23	5
Credit/(charge) to the income statement	13	18
Closing balance	**36**	**23**
Provision for Leave		
Opening balance	72	38
Credit/(charge) to the income statement	9	34
Closing Balance	**81**	**72**
Capital Raising Costs		
Opening balance	214	130
Credit/(charge) to equity	12	84
Closing Balance	**226**	**214**
Other		
Opening balance	208	51
Credit/(charge) to equity	414	157
Closing Balance	**622**	**208**

iii) **Deferred Tax Liabilities**

The movement in deferred tax liabilities for each temporary difference during the year is as follows:

Capitalised Development Expenditure		
Opening balance	4,919	4,298
(Credit)/charge to income statement	0	621
Closing Balance	**4,919**	**4,919**
Deferred Income		
Opening balance	96	562
(Credit)/charge to income statement	(68)	(466)
Closing Balance	**28**	**96**
Other		
Opening balance	38	(16)
(Credit)/charge to income statement	47	54
Closing Balance	**85**	**38**

19. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Names and positions of key management personnel of LBT in office at any time during the financial year:

Directors

Mr B Barnes	Chief Executive Officer and Managing Director
Mrs C Costello	Independent Director – Non-Executive
Mr S Mathwin	Independent Director – Non-Executive
Dr C Popper	Independent Director – Non-Executive
Mr S Arkell	Independent Director – Non-executive (commenced 30 January 2019)
Mr D Lismore	Independent Director – Non-executive (commenced 25 March 2019)
Mr G Haifer	Independent Director – Non-executive (retired 1 March 2019)
Mr M Michalewicz	Independent Director – Non-executive (retired 22 October 2018)

Key Management Personnel

Mr P Bradley	VP of Global Business Development
Mr D Hill	Company Secretary
Mr R Ridge	Chief Financial Officer

Key management personnel (KMP) remuneration has been included in the remuneration section of the Directors' Report.

The totals of remuneration paid to KMP of the Company during the year was as follows:

	2019 $000	2018 $000
Short term employee benefits[1]	944	995
Post-employment benefits	97	97
Share-based payments	(38)	411
Total KMP Compensation	**1,003**	**1,503**

(1) Mr Barnes bonus for 2016-17 year was approved by the Board after completion of the 2017 Annual Report and was recognised as an expense in the 2017-2018 year. While the bonus 2017-18 year was approved by the Board prior to completion of the 2018 Annual Report and was accrued as an expense in the 2017-18 year. Therefore, the 2017-18 year includes the bonuses relating to two years.

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current year's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service leave benefits paid during the year.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity settled benefit schemes as measured by the fair value of the options granted on the grant date.

19. Related Party Transactions cont.

(b) Option Holdings

2019

	Balance 01/07/18	Granted as Remuneration	Options Exercised	Options Lapsed	Balance 30/06/19	Total Vested 30/06/19	Total Exercisable 30/06/19	Total Unexercisable 30/06/19
Directors								
Mr B Barnes[1]	1,661,290	0	0	(161,290)	1,500,000	1,500,000	1,500,000	0
Mrs C Costello[1]	161,290	0	0	(161,290)	0	0	0	0
Mr S Mathwin[1]	64,516	0	0	(64,516)	0	0	0	0
Dr C Popper	0	0	0	0	0	0	0	0
Dr G Haifer[2]	500,000	0	0	(500,000)	0	0	0	0
Mr M Michalewicz[2]	500,000	0	0	(500,000)	0	0	0	0
Mr S Arkell	0	0	0	0	0	0	0	0
Mr D Lismore	0	0	0	0	0	0	0	0
Key Management Personnel								
Mr P Bradley	600,000	0	0	0	600,000	600,000	600,000	0
Mr D Hill	0	0	0	0	0	0	0	0
Mr R Ridge	0	0	0	0	0	0	0	0
	3,487,096	**0**	**0**	**(1,387,096)**	**2,100,000**	**2,100,000**	**2,100,000**	**0**

2018

	Balance 01/07/17	Granted as Remuneration	Options Exercised	Options Lapsed	Balance 30/06/18	Total Vested 30/06/18	Total Exercisable 30/06/18	Total Unexercisable 30/06/18
Directors								
Mr R Finder[3]	161,290	0	0	0	161,290	161,290	161,290	0
Mr B Barnes	1,661,290	0	0	0	1,661,290	161,290	161,290	1,500,000
Mrs C Costello	161,290	0	0	0	161,290	161,290	161,290	0
Mr S Mathwin	64,516	0	0	0	64,516	64,516	64,516	0
Dr C Popper	0	0	0	0	0	0	0	0
Dr G Haifer	0	500,000	0	0	500,000	0	0	500,000
Mr M Michalewicz	0	500,000	0	0	500,000	0	0	500,000
Key Management Personnel								
Mr P Bradley	600,000	0	0	0	600,000	600,000	600,000	0
Mr D Hill	0	0	0	0	0	0	0	0
Mr R Ridge	0	0	0	0	0	0	0	0
	2,648,386	**1,000,000**	**0**	**0**	**3,648,386**	**1,148,386**	**1,148,386**	**2,500,000**

(1) Eligible Directors participated in a placement at $0.31 per share, with one free option for every two shares subscribed. The placement and option terms were consistent with the terms applicable to external parties participating in the placement. Director participation was approved by shareholders on 18 January 2017. These options lapsed on 10 December 2018.

(2) The ending balance for Mr M Michalewicz and Dr G Haifer for the 2019 year is as at the date of retirement, being 22 October 2018 and 1 March 2019 respectively. These options lapsed as the directors retired before the options vested.

(3) The ending balance for Mr R Finder for the 2018 year is as at the date of retirement, being 31 July 2017. Mr Finder is not a related party for the 2019 year and is therefore not included in the 2019 table. This accounts for the difference between the 2018 total closing balance of 3,648,386 and the 2019 total opening balance of 3,487,096.

19. Related Party Transactions cont.

(c) Shareholdings

2019

	Balance 01/07/18	Received as Remuneration	Options Exercised	Net Change Other	Balance 30/06/19
Directors					
Mr B Barnes	713,606	0	0	0	713,606
Mrs C Costello	3,349,943	0	0	0	3,349,943
Mr S Mathwin	3,367,492	0	0	0	3,367,492
Dr C Popper	300,000	0	0	0	300,000
Mr S Arkell	0	0	0	0	0
Mr D Lismore	0	0	0	203,716	203,716
Dr G Haifer(1)	1,666,667	0	0	0	1,666,667
Mr M Michalewicz(1)	333,334	0	0	0	333,334
Key Management Personnel					
Mr P Bradley	94,754	0	0	0	94,754
Mr D Hill	0	0	0	0	0
Mr R Ridge	66,667	0	0	0	66,667
Total	**9,892,463**	**0**	**0**	**203,716**	**10,096,179**

2018

	Balance 01/07/17	Received as Remuneration	Options Exercised	Net Change Other (3)	Balance 30/06/18
Directors					
Mr R Finder (2)	6,452,884	0	0	173,076	6,625,960
Mr B Barnes	322,580	0	0	391,026	713,606
Mrs C Costello	2,567,892	0	0	782,051	3,349,943
Mr S Mathwin	3,129,032	0	0	238,460	3,367,492
Dr C Popper	200,000	0	0	100,000	300,000
Dr G Haifer	0	0	0	1,666,667	1,666,667
Mr M Michalewicz	0	0	0	333,334	333,334
Key Management Personnel					
Mr P Bradley	94,754	0	0	0	94,754
Mr D Hill	0	0	0	0	0
Mr R Ridge	0	0	0	66,667	66,667
Total	**12,767,142**	**0**	**0**	**3,751,281**	**16,518,423**

(1) The ending balance for Mr M Michalewicz and Dr G Haifer for the 2019 year is as at the date of their retirement, being 22 October 2018 and 1 March 2019 respectively.

(2) The ending balance for Mr R Finder for the 2018 year is as at the date of retirement, being 31 July 2017. Mr Finder is not a related party for the 2019 year and is therefore not included in the 2019 table. This accounts for the difference between the 2018 total closing balance of 16,518,423 and the 2019 total opening balance of 9,892,463.

(31) Eligible Directors participated in the share purchase plan announced on 23 May 2017 at $0.26 per share and the placement announced on 18 April 2018 at $0.15 per share. Director participation in the placement was approved by shareholders on 18 April 2018.

(d) Directors' Related Entity Transactions with the Company

There were no related entity transactions throughout the year.

19. Related Party Transactions cont.

(e) Joint Venture Related Entity Transactions with the Company

LBT has a 50% interest in the joint venture CCS. The interest in CCS is accounted for in these financial statements of the LBT using the equity method of accounting. For details of interests held in joint ventures, refer to Note 8.

Transactions with CCS during the year were as follows:

- Revenue for consulting services provided $1,017,000 (2018: $951,000);
- Revenue for other services provided $1,237,000 (2018: $4,753,000); and
- Additional funds provided to CCS as a loan to be repaid from future profitability $1,267,000 (2018: $4,706,000) - Refer Note 8; and
- Interest accrued on the loan to CCS of $171,000 (2018: $119,000) - Refer Note 8.

20. Financial Risk Management

(a) Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, and accounts receivable, borrowings and payable. The Company does not invest in any derivative instruments.

i) Treasury Risk Management

The Board has established an investment policy that is reviewed on a regular basis.

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance.

ii) Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk is managed with a mixture of short-term fixed and floating rate deposits. At 30 June 2019 $9.4 million of the Company's cash was held in short term deposits with a fixed interest rate.

As at 30 June 2019, the Company had drawn down $2.5 million of a $4 million loan facility provided by the South Australian government (refer note 12). The loan is presently an interest only loan, with the variable interest rate set at 2% above the South Australian government cost of funds and interest is payable quarterly on the drawn down amount. On 1 January 2020, the drawn down amount converts to a principal and interest loan, repaid through fixed quarterly repayments through to 8 May 2024 (being five years from the first draw-down date).

Foreign currency risk

The Company can be exposed to fluctuations in foreign currencies arising from the receipts of milestone, licence, loan and royalty payments in currencies other than the Company's measurement currency. At balance date, the Company had exposure in one of the loans to Clever Culture Systems of €346,527 ($561,541) (2018: $546,228) with interest on these loans totaling €19,589 ($31,744) (2018.$28,533);

Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash deposits are maintained.

Credit risk

The Company manages credit risk by reviewing exposures and ensuring it maintains sufficient cash deposits to meet its operational needs and potential contributions of additional funding to its Joint Venture partner, CCS. The maximum exposure to credit risk is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Board monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with a credit rating of 'A' long term (Standard and Poors rating) are used; and
- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing.

LBT has a loan of $8,871,000 to its 50% owned joint Venture company, and LBT may need to continue to contribute to fund the Joint Venture operations until the Joint Venture becomes profitable. Any future profits of CCS will be first applied to repay the loans to both LBT and CCS' other joint venture shareholder, Hettich Holding Beteiligungs- und Verwaltungs-GmbH (refer Note 9). At balance date, the Board considers this amount to be recoverable. Other than CCS, LBT does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

20. Financial Risk Management cont.

(b) Financial Instrument Composition and Maturity Analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate %		Floating Interest Rate $000		Within 1 Year $000		1 to 5 Years $000		Over 5 Years $000		Non-interest Bearing $000		Total $000	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Financial Assets														
Cash and cash equivalents	1.6%	1.8%	10,077	6,020	0	0	0	0	0	0	98	1,552	10,175	7,572
Receivables	2.0%	2.0%	0	0	0	0	7,115	7,745	0	0	652	251	7,767	7,996
Total Financial Assets			**10,077**	**6,020**	**0**	**0**	**7,115**	**7,745**	**0**	**0**	**750**	**1,803**	**17,942**	**15,568**
Financial Liabilities														
Trade Payables			0	0	0	0	0	0	0	0	1,041	1,947	1,041	1,947
Loan	3.9%		0	0	271	0	2,229	0	0	0	0	0	2,500	0
Total Financial Liabilities			**0**	**0**	**271**	**0**	**2,229**	**0**	**0**	**0**	**1,041**	**1,947**	**3,541**	**1,947**

All Current Trade payables are expected to be paid within four months of balance date.

(c) Net Fair Values

The net fair values of all current financial assets and liabilities approximate their carrying value.

(d) Sensitivity Analysis

The Company has performed a sensitivity analysis to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity, which could result from a change in these risks.

At 30 June 2019, the effect on profit and equity after tax as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2019 $000	**2018 $000**
Change in Profit		
- increase in interest rate by 2%	75	69
- decrease in interest rate by 2%	(75)	(69)
Changes in Equity		
- increase in interest rate by 2%	75	69
- decrease in interest rate by 2%	(75)	(69)

21. Share-Based Payments

The following share-based payment arrangements existed at 30 June 2019:

During 2011, 200,000 share options were granted to an employee in accordance with the Employee Share Option Plan to take up ordinary shares at an exercise price of $0.065 each. These options are exercisable to 24 August 2020.

During 2014, 100,000 share options were granted to an employee in accordance with the Employee Share Option Plan to take up ordinary shares at an exercise price of $0.045 each. These options are exercisable to 11 December 2023.

During 2016, 500,000 share options were granted to an employee in accordance with the Employee Share Option Plan to take up ordinary shares at an exercise price of $0.141 each. These options are exercisable to 11 April 2026.

During 2017, 1,500,000 share options were granted to the CEO and Managing Director, Mr Barnes, following shareholder approval on 16 November 2016. The terms of the options were finalised with Mr Barnes on 5 May 2016 upon his acceptance of the letter of offer of employment as CEO and Managing Director. The option exercise price of $0.157 was based upon the volume weighted average share price for the five trading days prior to the 5 May 2017. The option value was expensed over the two year vesting period from the commencement of employment on 8 August 2016. These options are exercisable to 7 August 2026.

The weighted average fair value of options granted during the year was $0 (2018: $0.186).

Employee benefits expense in the Statement of Comprehensive Income in the current year is a credit of $29,000, which consists of an expense for the fair value of equity settled share based payment transactions of $45,000 offset by a credit of $74,000 for the reversal of the previously expensed options relating to Dr Haifer and Mr Michalewicz that were forfeited before the options vested (2018: $425,000 expense).

	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
	2019		2018	
Outstanding at the beginning of the year	18,118,311	0.425	13,892,505	0.391
Granted	0	0	4,225,806	0.407
Forfeited	(1,000,000)	0	0	
Exercised	0	0	0	
Expired	(14,518,311)	0	0	
Outstanding at year end	**2,600,000**	**0.168**	**18,118,311**	**0.395**
Exercisable at Year End	**2,600,000**	**0.168**	**15,318,311**	**0.425**

The options outstanding at 30 June 2019 had a weighted average exercise price of $ 0.168 and a weighted average remaining contractual life of 6.6 years. Exercise prices range from $0.045 to $0.40.

Options issued to directors and employees cannot be exercised until the second anniversary after the grant date. Any options held at the date a director ceases to be an officer automatically lapse within 90 days unless the Board approves an extension. Accordingly, it is considered that these options do not fully vest until such time as they can be exercised. In accordance with AASB 2 "Share-based Payment", the fair value of the options has been expensed over the vesting period.

Historical volatility has been the basis for determining expected share price volatility.

22. Segment Reporting

(a) The Company operates in one business segment, conducting researching, developing and commercialising innovative technologies.

	2019 $000	2018 $000
(b) Revenue by Geographic Region		
Australia	649	223
Switzerland	2,254	5,735
Total revenue	**2,903**	**5,958**

(c) Assets by Geographical Region

The Company holds a 50% interest in the joint venture with Hettich Holding Beteiligungs- und Verwaltungs-GmbH. At balance date, the carrying value of the Company's interest in the joint venture is $7.1 million as represented by the balance of the loan account less a provision (refer note 9). The joint venture is based in Switzerland.

(d) Major Customers

LBT recognised $1,237,000 income from the reimbursement of APAS® related expenses and $1,017,000 service fees during the financial year from its joint venture with Hettich Holding Beteiligungs- und Verwaltungs-GmbH. LBT recognised 50% of the joint venture losses of $2,297,000. Net Income (excluding JV losses) from Clever Culture Systems AG accounted for 78% of external revenue.

23. Credit Standby Arrangements

The Company has a credit standby facility of $50,000. This facility was used to the extent of $24,594 at balance date.

24. Operating Leasing Commitments

	2019 $000	2018 $000
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	124	110
- between 12 months and five years	76	133

LBT has signed a property lease for its laboratory accommodation at Thebarton, SA, commencing May 2017. This is a non-cancellable lease with a 3-year term, with rent payable monthly in advance. The rent increases on an annual basis by 3% or CPI whichever is the greater. An option exists to renew the lease at the end of the 3-year term for an additional term of 3 years.

LBT signed a property lease for its head office in Adelaide CBD commencing on August 2017. This is a non-cancellable lease with a 3-year term, with rent payable monthly in advance. The rent increases on an annual basis by 3% or CPI whichever is the greater. An option exists to renew the lease at the end of the 3-year term for an additional term of 2 years.

25. Events After the Balance Sheet Date

There have been no after balance date events.

26. Company Details

The registered office and principal place of business of the Company is:

Level 8, 44 Waymouth Street
Adelaide SA 5000

Phone: +61 8 8227 1555

Website. lbtinnovations.com

Directors Declaration

The directors of the Company declare that:

(1) The financial statements and notes are in accordance with the Corporations Act 2001 and:

- comply with Accounting Standards, which as stated in accounting policy Note 1 to the financial statements constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS) and the Corporations Regulations 2001; and
- give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Company;

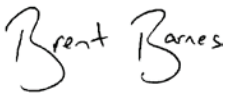
(2) The Chief Executive Officer and Chief Finance Officer have each declared that:

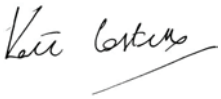
- the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
- the financial statements and notes for the financial year comply with the Accounting Standards; and
- the financial statements and notes for the financial year give a true and fair view;

(3) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Board has received assurance from the CEO and the CFO that the declaration is founded on a sound system of risk management and internal control and that system is operating effectively in all material respects in relation to financial reporting risks.

This declaration is made in accordance with a resolution of the Board of directors.





Brenton Barnes
Director

Catherine Costello
Chairman

Dated at Adelaide this 29th day of August 2019.

Independent Auditor's Report

Independent Auditor's Report to the Members of LBT Innovations Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of LBT Innovations Limited ("the Company") which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1(g) of the financial report, which states:

"While the directors are confident that the cash flow forecast can be achieved, there remains a significant uncertainty with regard to the key assumptions on sales numbers and sales growth rates. In the event that sales numbers or sales growth rates are adverse from initial forecast, this could significantly impair the $25.2 million APAS® related assets recognised in the financial statements as at 30 June 2019."

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How our audit addressed the key audit matter
Impairment of Intangible Assets and APAS Related Assets Refer Note 10 Intangible Assets ($18.1m), Note 9 Financial Assets ($7.1m) and Note 1(g) Impairment of Assets	

The impairment of Intangible Assets and APAS Related Assets is a Key Audit Matter as:
• The Company's Intangible Assets and APAS Related Assets totalled $25.2m representing the capitalised development costs and in respect of APAS.
• Under Australian Accounting Standards, an entity shall assess throughout the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, an entity shall estimate the recoverable amount of the asset.
• As impairment indicators did exist during the reporting period the Company is required to test for impairment by comparing its recoverable amount with its carrying value.
 	
The impairment testing process is complex and highly judgemental and is based on assumptions and estimates that are affected by expected future performance and market conditions.
	Our procedures included but were not limited to the following:
	• obtained the impairment assessment and impairment model prepared by management and approved by the Audit Committee, and performed the following;
	  • tested the mathematical accuracy of the model;
	  • evaluated and assessed the key assumptions and estimates used in the model;
	  • performed sensitivity analysis on the key assumptions and assessed the effect on the carrying value
	• gained an understanding of the marketing activities being undertaken in respect of APAS
	• considered the adequacy of the financial report disclosure regarding impairment and the carrying value for APAS

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information in the Company's Directors Report which we obtained prior to the date of this auditor's report and the Annual Report which is expected to be made available to us after that date. The other information does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

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Independent Auditor's Report

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of the users for whom our report is prepared.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 12 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of LBT Innovations Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Adelaide, South Australia
29 August 2019

Jon Colquhoun
Director

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Shareholder Information

As at 3 September 2019

Statement of Issued Securities

The total number of shareholders is 2,287 and there are 235,339,786 ordinary fully paid shares on issue.

Options Expiry date	Number of holders	Number on issue	Number of restricted securities	Release date (if applicable)
24 August 2020	1	200,000	0	N/A
11 December 2023	1	100,000	0	N/A
11 April 2026	1	500,000	0	N/A
7 August 2026	1	1,500,000	0	N/A
22 December 2026	1	100,000	0	N/A
28 February 2027	2	200,000	0	N/A

Distribution of Securities

Equity Distribution	No of Share-holders	No of Option-holders Exp 24/08/20	No of Option-holders Exp 11/12/23	No of Option-holders Exp 11/04/26	No of Option-holders Exp 7/08/26	No of Option-holders Exp 22/12/26	No of Option-holders Exp 28/02/27
1 – 1,000	136	0	0	0	0	0	0
1,001 – 5,000	370	0	0	0	0	0	0
5,001 – 10,000	405	0	0	0	0	0	0
10,001 – 100,000	1,037	0	1	0	0	1	0
100,001 and over	339	1	0	1	1	0	2
	2,287	**1**	**1**	**1**	**1**	**1**	**2**

The number of shareholdings held in less than marketable parcels is 423.

Substantial Shareholders

There were no substantial holders as at 3 September 2019.

Voting Rights

Refer to Note 14.

On Market Buy Back

There is no current on market buy back.

Top 20 Shareholders

Rank	Name	Number of Shares	% of Shares
1	BIOMÉRIEUX SA\C	9,772,727	4.15
2	MR BRENDAN MORAN	8,143,206	3.46
3	CITICORP NOMINEES PTY LIMITED	6,724,221	2.86
4	Z & F INTERNATIONAL TRADING LIMITED	6,451,613	2.74
5	MR ROBERT ANDREW FINDER + MRS SHERYL JEAN FINDER <SHERROB9 S/F A/C>	5,401,665	2.30
6	MR PAUL COZZI	4,447,848	1.89
7	MR HUGH BERKELEY GUTHRIE + MRS LUCYNA HALINA GUTHRIE <PODLASKA SUPER A/C>	4,207,108	1.79
8	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	4,147,026	1.76
9	MAZONI PTY LTD <THE UTIGER SUPER FUND A/C>	4,000,000	1.70
10	AVANTEOS INVESTMENTS LIMITED <1823201 SUPERANNUATION A/C>	3,618,688	1.54
11	ILWELLA PTY LTD	3,333,334	1.42
12	AVANTEOS INVESTMENTS LIMITED <1823205 SUPERANNUATION A/C>	3,067,241	1.30
13	MR DAVID CATTUZZO + MRS ELIZABETH CATTUZZO	3,000,000	1.27
14	MR STEPHEN GOODWIN	3,000,000	1.27
15	RUIN PTY LTD <STEVE MATHWIN SUPER A/C>	2,950,262	1.25
16	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,836,078	1.21
17	MR RICHARD ANTHONY EARP	2,332,000	0.99
18	CHAG PTY LTD	1,800,000	0.76
19	MR ARI PULLINEN <A & O PULLINEN S/F A/C>	1,783,474	0.76
20	PETER CROKE HOLDINGS PTY LTD	1,620,451	0.69
		82,636,942	35.11

Shareholder Information

As at 3 September 2019

Top 20 Option-holders (not listed)

Rank	Name	Number of Options	% of Options
1	MR BRENTON JOHN BARNES	1,500,000	57.69
2	MR PETER BRADLEY	600,000	23.08
3	MR JOHN GLASSON	200,000	7.69
4	STEVEN GIGLIO	100,000	3.85
5	MR RHYS HILL	100,000	3.85
6	MR VAUGHAN WESSON	100,000	3.85
		2,600,000	**100.0**

Register of Securities

The register of securities is located at:

Computershare Investor Services Pty Limited
GPO Box 1903 Adelaide, South Australia 5001, Australia

Enquiries (within Australia) 1300 729 063
Enquiries (outside Australia) +61 3 9415 4675
Facsimile +61 8 8236 2305

web.queries@computershare.com.au
www.computershare.com.au

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