

FIRST COMMERCIAL SALE OF APAS® INDEPENDENCE

St Vincent's Hospital, Melbourne also enters Service & Evaluation Agreement

Adelaide, Australia, 22 August 2018: Australian medical technology company LBT Innovations Limited (ASX: LBT) (**LBT** or the **Company**), a leader in medical technology automation using artificial intelligence, is extremely pleased to announce the first commercial sale of the APAS® Independence to St Vincent's Hospital in Melbourne.

This transaction is a significant one for LBT and its 50% owned joint venture company, Clever Culture Systems (CCS) being the first sale of an APAS® Independence instrument globally. APAS remains the only stand-alone, automated plate reader using artificial intelligence available commercially anywhere in the world.

The purchaser, St Vincent's Hospital, was the first installation site for the APAS® Independence and successfully completed a six-week independent evaluation using a pre-production instrument at the end of 2017. The purchase order for the first APAS® Independence has now been placed with LBT as appointed distributor for Australia and New Zealand and a commercial ready production version of the APAS® Independence instrument is already installed at St Vincent's. LBT will generate revenue directly as the Australian distributor of the instrument, in addition to the revenue generated by CCS. CCS is the manufacturer and supplier of the instrument. The sale price is consistent with anticipated market pricing previously disclosed, with further detail of the payment terms remaining commercial in confidence.

The future development of additional analysis modules by LBT extends the clinical application and addressable market globally for APAS® Independence. CCS, as the supplier of the instrument and analysis modules, is responsible for managing the regulatory pathway. An important aspect of the regulatory process is to demonstrate clinical performance of each new analysis module through analytical and performance testing. Following an evaluation of a number of potential service providers, St Vincent's Hospital has been selected to provide these analytical and performance testing services to CCS. It is more efficient for CCS to outsource this testing to an established laboratory. St Vincent's Hospital has been selected given its familiarity with the instrument and its ability to act as a centre of excellence for other potential customers and physicians to observe the instrument in commercial operation.

LBT CEO and Managing Director, Brent Barnes, said:

"We are proud to deliver the first sale of an APAS® Independence instrument globally in our launch market of Australia. We have been working for the past five years to deliver this important milestone. The decision by St Vincent's Hospital to purchase an instrument provides validation for our APAS® technology and we look forward to continuing to collaborate with St Vincent's Hospital in the development of future analysis modules and as a centre of excellence."

I would also like to acknowledge the hard work of all of our team and partners who have contributed to the achievement of this first sale. We know our shareholders have been waiting for this news for some time. We are committed to achieve other instrument placements in 2018."

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About LBT Innovations

LBT Innovations (LBT) improves patient outcomes by making healthcare more efficient. Based in Adelaide, South Australia, the Company has 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. LBT's third product WoundVue® is in early development; this is a proposed automated solution to assist in the management of chronic wounds.



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