

FINALISATION OF SOUTH AUSTRALIAN GOVERNMENT LOAN FACILITY AGREEMENT

Adelaide, Australia, 28 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 pleased to announce the execution of the \$4 million facility provided by the South Australian Government (the **Facility**).

The Company announced the \$4 million Facility on 19 February 2018, subject to formal legal documentation. The documentation, comprising a Loan Facility Agreement and a Security Deed, have now been fully executed and the conditions to enable the first drawdown have been met.

The Facility provides LBT with the ability to drawdown the loan in instalments of \$1 million, \$1.5 million and \$1.5 million, subject to achievement of operational milestones. All drawdowns are available through to December 2019, and will then be repaid over five years from the first drawdown date. The low interest rate for the Facility is a 2% margin above the South Australian Government cost of funds. The Company have provided the South Australian Government with a first ranking general security.

The Facility is provided to enable LBT to recruit additional Adelaide based staff in the areas of artificial intelligence, science, and software engineering over the next two years. The strategic plan to insource core capability is important for the development of further Analysis Modules that will deliver additional specimen types for use on the APAS® Independence Instrument. Each new Analysis Module extends the clinical utility of the instrument and increases its potential market.

The Company raised \$7.9 million through a private Placement and a Share Purchase Plan earlier this year and those funds together with the Facility are projected to provide sufficient funding for the Company through to early 2020. Accordingly, to support business objectives, the Company will continue to be fiscally diligent in determining when to initiate drawdowns under the Facility which will attract interest charges.

LBT CEO and Managing Director, Brent Barnes, said:

"We are extremely appreciative of the support and collaboration with the South Australian Government. Expanding our highly specialised internal capability within the state, establishes local bench-strength to develop and bring new products to market. Technological innovation and addressing a global customer need within healthcare is the backbone of this company. We are excited by the opportunity to bring forward plans to recruit specialised staff that has been facilitated by this South Australian Government loan facility. Already we have employed 8 new highly skilled staff in the areas of AI, Science and Software Engineering so far in 2018".

Marco Baccanti, Chief Executive of Health Industries South Australia, congratulated LBT Innovations for this progress in their development, achieved through an innovative multi-stakeholder collaboration in the state: the company successfully engaged both the expertise in Artificial Intelligence of the University of Adelaide and the support from Health Industries SA.

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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.



CONTACTS

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