



The Manager
Company Announcements Office
ASX Limited

CHINA-BASED AUTOBIO STRATEGIC \$2M PLACEMENT IN LBT AND MICROSTREAK IP TRANSFER

Adelaide, Australia, 27 October 2017: Australian medical technology company LBT Innovations Limited (ASX:LBT) has signed an agreement with China-based Autobio Diagnostic Co., Ltd to make a \$2 million placement in LBT shares. The agreement also transfers LBT's proprietary MicroStreak intellectual property (IP) to Autobio, who will investigate the potential path to re-commercialise the technology.

Autobio is a publicly listed diagnostic company on the Shanghai Stock Exchange based in Zhengzhou, China. It specialises in in vitro diagnostic device (IVD) reagents, instrument research and development, manufacture and sales, and provides solutions for clinical laboratories with a variety of products primarily in immunoassays and microbial tests. Founded nearly 20 years ago and with over 2,000 employees, it is the largest manufacturer of culture plates within China with an approximate market capitalisation of around AUD\$4 billion.

MicroStreak was LBT's foundation technology invented in 2004 and was successfully commercialised over subsequent years. From 2007-2015 the rights to LBT's MicroStreak technology were exclusively licensed to leading French diagnostic company bioMérieux, which marketed MicroStreak as PREVI Isola. It's estimated that 450-500 PREVI Isola instruments were sold in 30 countries. In 2015 the agreement was renegotiated in which LBT resumed all exclusive rights to MicroStreak and received a US\$5.5 million finalisation payment.

Following many years of milestone, royalty and finalisation payments, the MicroStreak asset has been a success for LBT and fully utilised over many years.

LBT CEO and Managing Director Brent Barnes, says "we have been collaborating with Autobio for some time which has helped both LBT and Autobio better understand the market opportunity for MicroStreak in China. I'm pleased to have sold the IP to Autobio which may facilitate further collaboration between research and technology innovation provided by LBT, and typically lower cost engineering and manufacturing expertise found in China by Autobio."

"I was very impressed when visiting Autobio's facility in Zhengzhou and there is a genuine strategic opportunity between our two companies. The transfer of MicroStreak IP is envisaged to support Autobio's product line extension, and from an LBT perspective, having a large Chinese company as a top 20 shareholder creates opportunities to benefit all of our shareholders."

Autobio Founder and President Mr Miao Yongjun, says "we hope to further build on the strategic collaboration established with LBT in the future as we explore further technologies to potentially cooperate on."

Under the terms of the agreement, Autobio will purchase \$2,000,000 of LBT shares by an issue of new shares. The shares and options will be issued under the Company's existing placement capacity (ASX Listing Rules 7.1 and/or 7.1A). Details of placement:

- Shares are issued at a price of \$0.31 per share with 1 free attaching option for every 2 shares subscribed
- 6,451,613 ordinary shares will be issued for a total consideration of \$2,000,000 along with the issue of 3,225,806 free attaching options
- The options are exercisable at \$0.44 with an expiry date of 12 months from the date of issue
- Autobio must purchase and LBT is to issue the shares with attaching options on or before the 25th business day following the date of this announcement

The funds raised will be applied to the core business of commercialising the APAS® Independence instrument through joint venture company Clever Culture Systems AG. APAS® is a breakthrough artificial intelligence technology for the automated imaging, image analysis, interpretation and reporting of growth on microbiology culture plates after incubation.

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About LBT Innovations

LBT Innovations (LBT) improves patient outcomes by making healthcare more efficient. Based in Adelaide, South Australia, the Company has two world class-leading products in microbiology automation: MicroStreak®, which provides automated culture plate streaking and Automated Plate Assessment System (APAS®). Based on LBT's intelligent imaging and interpretative software, US FDA-cleared APAS® automates imaging, analysis and interpretation of culture plates following incubation. LBT has entered into a joint venture Clever Culture Systems AG (CCS) with Hettich Holding Beteiligungs- und Verwaltungs-GmbH to commercialise APAS® products. LBT's third product WoundVue® is in early development; this is a proposed automated solution to assist in the management of chronic wounds.

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