

SOUTH AUSTRALIAN GOVERNMENT LOAN - \$1.0M DRAWDOWN

Funds applied to LBT's core capability in the areas of artificial intelligence, science, and software engineering

Adelaide, Australia, 9 May 2019: Australian medical technology company LBT Innovations Limited (ASX: LBT) (**LBT** or the **Company**), a leader in medical technology automation using artificial intelligence, announces the drawdown of the first instalment of \$1.0 million of the total \$4 million loan facility provided by the South Australian Government (the **Facility**).

As previously announced, the \$4 million Facility executed on 28 August 2018, 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. All instalments are available through to December 2019 and will 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 and the South Australian Government have received a first ranking general security over the Company and its assets.

Following the achievement of all agreed milestones for the first instalment, the Company's application for the first instalment of \$1.0 million was approved, with payment received on Wednesday, 8 May 2019. The funding will support LBT's ongoing strategy to insource core capability in the areas of artificial intelligence, science, and software engineering. Over the past 15 months, the Company has added ten highly skilled executives to the business across these disciplines, as it has streamlined the continued development of further analysis modules for the APAS Independence.

The next two instalments under the Facility, totalling \$3.0 million, remain available to the Company through to December 2019, conditional on achieving further operational milestones and final Board approval.

Ray Ridge LBT CFO said:

"The support and collaboration of the South Australian Government has been important in enabling the Company to bring forward the recruitment of key resources for analysis module development. This has allowed LBT to improve the time taken and certainty around future APAS developments and positions the Company well for growth in the future."

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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.

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