

SOUTH AUSTRALIAN GOVERNMENT LOAN - \$1.5M DRAWDOWN

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

Adelaide, Australia, 27 June 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 second instalment of \$1.5 million under the \$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. 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. The first \$1 million was drawn down on 9 May 2019 and this second drawdown was made after satisfying the operational milestones including the requisite number of South Australian based employees.

As required, the funding will support the insourced core capabilities of artificial intelligence, science, and software engineering.

Whilst additional funds are not required at present, the drawdowns are only available through to 31 December 2019 and on achievement of milestones which have been met. This second drawdown under the Facility, together with the cash on hand following the recently completed approximately \$5 million placement, means the Company is well funded into the 2021 calendar year.

Ray Ridge, LBT Chief Financial Officer said:

"The continued support of the South Australian Government is greatly appreciated and supports our insourcing of core capabilities that have enabled us to accelerate development of analysis modules for the APAS® Independence. We will continue to prudently manage our cashflow requirements to support our ongoing commercial activities."

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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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