

UPDATE ON DISTRIBUTOR APPOINTMENTS

APAS® Independence shipped to U.S. based Potential Distributor

Adelaide, Australia, 22 July 2019: LBT Innovations Limited (ASX: LBT) (**LBT** or the **Company**), a leader in medical technology automation using artificial intelligence, is pleased to provide this update on recent activities related to the appointment of distributors and commencement of commercial sales in the United States, following FDA clearance for the APAS® Independence instrument with urine module on 17 May 2019.

As previously advised, the Company and its joint venture partner, Clever Culture Systems (**CCS**) has a dual strategy for entry into global markets: a direct sales presence to build awareness and early sales opportunities; and the appointment of one or more large distributors who can provide a deep sales and technical support network in key markets.

Distributor Activities

There has been active engagement with a number of distributors in recent months in conjunction with large microbiology conferences in both Europe and the U.S. in April and June 2019.

Following this, CCS is pleased to announce that an APAS® Independence instrument has been shipped to a U.S. based leading global healthcare manufacturer and distributor (**Potential Distributor**).

The key elements following instrument shipment are as follows:

- CCS will lend one APAS® Independence instrument for deployment at a U.S. facility, at no cost
- By the end of August 2019, CCS will install, commission and train relevant stakeholders
- Potential Distributor to assess clinical performance, market suitability, serviceability requirements and alignment with their existing and complementary product(s)
- CCS to engage in regular review meetings with the Potential Distributor throughout this process
- Potential distributor may negotiate long-term distribution of the APAS® Independence in one or more global territories

It is important to note that the above is not a commitment to sales or entering into a Distribution Agreement.

CCS is also in discussions with other potential distributors. Generating customer interest and conversion of early sales is a precursor to distributor appointment which remains expected sometime in 2020.

U.S. Sales Presence & Infrastructure

CCS is in the process of appointing an experienced sales resource in the U.S. to lead the early sales activities. This sales resource will actively pursue the lead opportunities generated earlier in the year, with a goal of scheduling a number of instrument evaluations as a precursor to commercial sales.

A number of LBT staff will be attending the American Association for Clinical Chemistry or AACC meeting in Anaheim, California from 4-8 August, 2019. This meeting, centred around laboratory science and its application to healthcare, is attended by over 20,000 people and is another opportunity to meet with potential customers and distribution partners.

Brent Barnes, CEO and Managing Director of LBT Innovations said:

"We remain committed to our joint strategy of direct U.S. market entry to generate early sales traction while simultaneously continuing the detailed process to engage one or more global distributors. The shipment of an instrument to a potential distributor is another positive step forward as we work towards establishing commercial channels to generate scale with respect to global sales."

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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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