

AUSTRALIAN SALES UPDATE

Adelaide, Australia, 26 November 2018: Australian medical technology company LBT Innovations Limited (ASX: LBT) (LBT or the **Company**), a leader in medical technology automation using artificial intelligence provides the following update on sales activities in the Australian market and previously advised, expected sales of APAS® instruments in calendar 2018.

The Australian pathology market size is small in the global context, but it is an important one. As the first launch market globally, Australia provides an opportunity for LBT to obtain early market feedback in a country with an advanced healthcare sector and in a country that LBT understands well as an Australian based company. More importantly, as the global launch market, early sales in Australia will assist in setting the foundation for distributor appointments in the larger global markets of the US and Europe.

The early sales process is a slow one for capital equipment in the health care sector, particularly when involving a new technology. LBT's dedicated sales executive, based on the Australian east coast, has been busy raising the awareness of the APAS® Instrument nationally, and is progressing a number of opportunities at various stages in that sales process. One opportunity has progressed through clinical validation, resulting in an invitation for LBT to prepare a proposal and business case for the purchase of the Instrument in multiple sites. LBT visited each of the potential customer's laboratories around Australia, preparing a business case for each individual site in a transparent process, in collaboration with the customer's employees. LBT has received feedback that this process set LBT apart from other providers of automation equipment in the pathology industry and the business case met the customer's needs.

Whilst the Company was expecting to progress commercial negotiations with this potential customer this calendar year, LBT has been informed that its proposal is now being considered as part of a wider business improvement initiative. The fact that the APAS® Instrument is being used as a potential catalyst for overall work flow optimisation adds to its value proposition. The downside is that it slows the sales process compared to the timeline LBT had originally envisaged.

This potential multi-site customer was a key near term sales opportunity underpinning the Company's stated target of selling a further four APAS® instruments before 31 December 2018. This target will not be achieved within the stated timeframe. LBT will continue to work with this potential customer and others, in demonstrating the business improvements of APAS®, as they work through the other aspects of their business improvement initiative. LBT believes the sales on APAS® instruments in 2018 not achieved is one of timing and these sales opportunities can still be realised.

LBT CEO and Managing Director, Brent Barnes, said:

"We acknowledge the shift in timing against expectations given to the market may be a frustration to our shareholders. The sales cycle, especially with new technology in a smaller launch market, takes time. Importantly, we continue to receive positive feedback from customers about the instrument and the bigger picture is about establishing a global footprint to generate scale in sales. We remain focussed on delivering early sales to build momentum towards the key objective of engaging distributors in the larger markets of the US and Europe. Please refer to a separate announcement made today in relation to progress in the US market."

– ENDS –

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

LBT Innovations	Investor Enquiries
Brent Barnes Chief Executive Officer & Managing Director Tel: +61 8 8227 1555 E: info@lbtinnovations.com	David Allen / John Granger Hawkesbury Partners Tel: +61 2 9103 9494 E: dallen@hawkesburypartners.com