

## LBT TO OBTAIN FULL OWNERSHIP OF CLEVER CULTURE SYSTEMS

*Binding agreement to acquire Hettich's 50% CCS shareholding and \$17.3m Shareholder loan*

**Adelaide, Australia, 29 December 2021:** Australian medical technology company LBT Innovations Limited (ASX: LBT) (**LBT** or the **Company**), a leader in medical technology automation using artificial intelligence, has signed a binding agreement to acquire Hettich Holding Beteiligungs-und Verwaltungs-GmbH's (**Hettich**) 50% shareholding of its Clever Culture Systems joint venture (**CCS**). Following the acquisition, CCS will become a fully owned subsidiary of LBT with no outstanding debt owing to Hettich.

### Key Points:

- **Binding agreement signed to purchase Hettich's 50% shareholding of CCS and Shareholder loans**
- **A\$4.0m total consideration: A\$1.0m Cash, 30.66m Shares and 8.0m Options at 25c**
- **LBT will assume 100% ownership of CCS, Hettich remain invested in APAS® through LBT shares**
- **LBT revenue for each APAS® instrument increases by 66%, reducing the time to expected cash breakeven**
- **Investor webinar: 12 January 2022, 9.00am AEST**

LBT has signed a Share and Loan Assignment Deed to acquire the 50% shareholding of its joint venture company CCS from Hettich for a total consideration of A\$4.0m payable in cash, newly issued LBT Shares and LBT Options. The acquisition establishes CCS as a fully owned subsidiary of LBT. Following acquisition, LBT will have no outstanding debt to Hettich. LBT will have complete operational control of CCS for the commercialisation of LBT's novel APAS® technology.

CCS was established in 2013 to fund the development and commercialisation of LBT's APAS® technology. Since then, there has been significant investment to complete the development of the APAS® Independence instrument and launch the product for sale globally. With several key milestones achieved in the last 12-months, including the appointment of channel partners for sale of the instrument in the EU and US, the Company believe this is the opportune time to acquire 100% ownership of the CCS joint venture. All key contracts will remain active, with no change of control provisions triggered as a result of the transaction.

The acquisition is expected to deliver the following strategic benefits for the Company:

- **Unlock value for LBT shareholders.** Attractive transaction valuation and deal structure preserves LBT's cash runway to deliver APAS® commercialisation.
- **Critical timing.** Opportune time to acquire CCS with large development costs complete and momentum building in the market with channel partners. 10 Advanced Opportunities in the sales funnel.
- **Improved path to breakeven.** LBT's share of revenue per instrument sold increases by 90% in the year of sale (66% over the life of the instrument), whilst operating costs increase by 17% in comparison.
- **Cost management.** Post-acquisition cost reduction plan expected to deliver a \$0.8m reduction in expenditure in Clever Culture System's budget for 2022.

LBT CEO and Managing Director, Brent Barnes said:

*"This acquisition represents an important strategic outcome for the Company unlocking value for LBT shareholders. On completion, it will deliver LBT full control of CCS at a critical time in the commercialisation of the APAS® Independence. Ultimately, we will benefit from an increased share of margin from each APAS® instrument sold providing a faster path to breakeven for the Company."*

*"I'd like to thank Hettich's owner, Klaus-Günter Eberle for his collaboration and support over many years. This consolidated ownership significantly simplifies the structure of CCS which we believe has potential benefits for all shareholders, including Hettich, who will become LBT's largest shareholder."*

Hettich Owner and CEO, Klaus-Günter Eberle said:

*"I am proud to have contributed to the development of the APAS® Independence over the past 8 years and to have worked with the LBT team that have invented a world first in clinical microbiology. The market opportunity for advanced automation solutions, such as APAS®, is exciting, I will continue to follow the commercial progress closely as an LBT shareholder."*

### Transaction Details

The key terms of the transaction are as follows:

- Consideration of A\$4.0m to acquire 50% shareholding in CCS, including Hettich's A\$17.3m Shareholder loan, payable in cash, newly issued LBT Shares and LBT Options, payable as follows:
  - A\$1m Cash consideration
  - The issue of 30.66m LBT shares  
(valued at A\$2.8m at the last traded price of 9.1 cents per share on 24 December 2021;  
issued shares will be held in voluntary escrow for 12-months)
  - The issue of 8.0m LBT options (Exercise Price: 25.0 cents per share, Expiry: 3 years from completion)  
(valued at A\$0.2m by the Black Scholes method)
- Hettich shareholding in LBT post-acquisition: 9.6%
- LBT will have approximately A\$5.5m cash reserves post acquisition, plus an expected ~A\$0.8m to be received under the Research & Development Tax Incentive
- Expected completion by 31-Dec-2021

### Investor Conference Call

The Company will hold a conference call at **9.00am AEST on Wednesday 12 January 2022** to discuss the acquisition of CCS and strategic benefits of the transaction. The Company's CEO and Managing Director, Brent Barnes, will host the call.

All attendees must register to attend the call. Please register using the link below. After registering, you will receive a confirmation email about joining the webinar including options to attend via computer or telephone.

[https://us06web.zoom.us/webinar/register/WN\\_usixtDUeRaKErdlcXv9SWw](https://us06web.zoom.us/webinar/register/WN_usixtDUeRaKErdlcXv9SWw)

A Q&A session will be held at the end of the conference call, in order to participate in this, you will need to join the conference via computer. A recording of the call will be available on the Investor Centre section of the Company's website for 60 days after the call.

Approved for release by the Chair of the LBT Board.

– ENDS –

### About Clever Culture Systems

CCS was established in 2013 as a 50:50 owned joint venture between LBT and Hettich for the exclusive development and commercialisation of LBT's APAS® technology. Since 2013, LBT and Hettich have jointly funded the development and commercialisation of the APAS® technology, completing the development of the fully automated APAS® Independence instrument and obtaining regulatory clearances for sale in key markets (including FDA (USA), CE Mark (EU), UKCA (UK) and TGA Approval (Australia)). More recently CCS has secured strategic partnerships for the commercialisation of the APAS® Independence in the United States (Thermo Fisher Scientific, Inc, September 2021) and Europe (Beckman Coulter, Inc, July 2020). CCS's operations have been managed and delivered by LBT, including all research & development, sales & marketing activities.

### 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 culture plate specimen processing. The Company's second product, the Automated Plate Assessment System (APAS® Independence) uses LBT's intelligent imaging and machine learning software to automate the imaging, analysis and interpretation of culture plates following incubation. The technology remains the only US FDA-cleared artificial intelligence technology for automated culture plate reading and is being commercialised through LBT's 50% owned joint venture company Clever Culture Systems AG (CCS) with Hettich Holding Beteteiligungs- und Verwaltungs-GmbH. Channel partners for the sale and distribution of the APAS® Independence

are in place for the United States (Thermo Fisher Scientific, Inc; Exclusive Distributor) and Europe (Beckman Coulter, Inc; Marketing Agent).

#### INVESTOR ENQUIRIES

LBT Innovations
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