

\$1.5M PLACEMENT SUPPORTS APAS® PHARMA COMMERCIALISATION AND EU EXPANSION

A further \$3.5 million funding available by mutual agreement

Adelaide, Australia, 20 March 2023: Australian medical technology company LBT Innovations Limited (ASX: LBT) (LBT or the **Company**), a leader in medical technology automation using artificial intelligence, is pleased to announce a \$1,500,000 Share Placement Agreement (**Placement**) with Lind Global Fund II, LP an entity managed by New York-based The Lind Partners (together "**Lind**"). Lind invests in small and mid-cap companies publicly traded in the US, Australia, Canada and the UK.

Key Points:

- **Initial \$1.5 million investment by Lind with proceeds expected within 5 business days**
- **Funds raised support commercialisation activities for APAS® Pharma and Thermo Fisher distribution expansion to 35 countries globally**
- **Cash position approximately \$3.1 million following receipt of the Placement proceeds**
- **Further cash inflows through to December 2023 of \$1.8 million expected from the F23 R&D Tax Incentive and debtors, together with amounts to be invoiced to AstraZeneca for the APAS® Pharma project**
- **APAS® sales have progressed in Q1 CY23, details to be announced in upcoming Quarterly Activities Report lodged April 2023**

Brent Barnes, CEO and Managing Director, said:

"The Placement Agreement with Lind bridges an important funding gap for LBT, at a time where prevailing capital market conditions remain challenging, especially for small capitalisation companies with low liquidity like LBT. We are pleased to have the support of Lind which has in-turn capitalised the Company to focus on the commercialisation activities described.

We have progressed APAS® sales during the first quarter of 2023 calendar year and have been focused on supporting EU expansion with Thermo Fisher following their appointment as our exclusive distributor at the end of 2022 calendar year.

Commercialisation efforts for APAS® in the Pharmaceutical industry have commenced following the AstraZeneca partnership announcement, with increased interactions with a wider range of big pharma companies. Based on these interactions, we see potential for quicker adoption across pharma companies, whereby APAS® is validated in one location and expanded due to consistent manufacturing workflow practices across the group. It's an exciting opportunity that utilises the APAS® platform technology – same hardware – same AI technology stack, in an adjunct sector which significantly expands the total addressable market."

Phillip Valliere, Managing Director at The Lind Partners, commented:

"We have been following LBT's development for many years and are impressed by their APAS® technology. Recently, LBT signed strategic partnerships with AstraZeneca and Thermo Fisher and we feel it is an exciting time in their evolution and the right time to make this investment to support LBT's commercial expansion in the US and EU."

Financial & Use of Funds

Funds are expected to be received within 5 business days of execution of the agreement and on receipt LBT's cash balance will be approximately \$3.1 million. In addition, the Company expects to invoice AstraZeneca \$0.8 million through to December 2023, subject to completion of milestones for the development of an APAS® Analysis Module for the pharmaceutical industry. Other expected receipts over this period include \$1.0 for debtors and the F23 R&D Tax Incentive. New sales commitments will further improve this position.

Available funds will be focussed on commercialisation activities for the APAS® Independence, in particular:

- Commercialisation activities in the pharmaceuticals industry, ahead of a finalised APAS® platform for the application of pharmaceutical microbial quality control testing, expected in 2024. The development work is being funded by AstraZeneca and Thermo Fisher Scientific, Inc (**Thermo Fisher**), with all intellectual property and commercialisation rights retained by LBT.
- Supporting anticipated sales growth through Thermo Fisher in the United States, including manufacturing and inventory management;
- Further onboarding and training of Thermo Fisher sales teams across 34 countries in Europe, following the recent expansion of the original distribution agreement for the United States; and
- General working capital.

Key Terms of the Placement Agreement

- **Advance Payment:** Lind will pre-pay \$1.5 million to LBT in return for LBT shares to the value of \$1.7 million to be issued by LBT over the next 24 months.
- **Commitment Fees:** \$60,000, representing 4% of the Advance Payment.
- **Advance Payment Date:** Lind is to provide payment of the Advance Payment as soon as possible and by no later than 5 business days after execution.
- **Initial Shares:** 10,000,000 fully paid ordinary shares in the Company to be issued to Lind, one business day following receipt of the Advance Payment (and which may be applied towards satisfying the Company's subscription or repayment obligations under the Agreement). If at the expiration of the Term (as defined below) there are still Initial Shares that have not been applied towards subscription or repayment, then Lind will pay for those shares based on the Subscription Price (defined below).
- **Term:** 24 months after the Advance Payment Date. Lind may elect to extend the Term by up to 6 months.
- **Options:** 7,500,000 options with an exercise price of \$0.05 each and an expiration date of 48 months after issue. The Options will be issued one business day after receipt of the Advance Payment.
- **Subscription Price:** the lesser of:
 - \$0.092 per share; and
 - 90% of the average of the three lowest daily VWAPs during the 20 trading days prior to the subscription.
- **Subscriptions:** Lind may elect when to provide LBT with subscription notices for the issue of shares to the aggregate value of \$1.7 million over the Term, subject to the following:
 - Until 30 April 2023, any subscriptions by Lind will be at a fixed price of \$0.092.
 - From 1 May 2023 until 28 February 2024, any subscriptions by Lind will be either at:
 - the Subscription Price, with the aggregate subscription amount in any one month at the Subscription Price limited to \$80,000; or
 - \$0.092 per share, with the aggregate subscription amount unlimited.Lind may, at its sole discretion, increase the maximum monthly aggregate subscription amount to \$500,000, for one month only.
 - From 1 March 2024 until 28 February 2025, any subscriptions by Lind will be at the Subscription Price.
 - Any Advance Payment remaining at the expiry of the Term, will be subscribed for at the Subscription Price.
- **Repayment:** the Company can elect, upon receipt of a subscription notice, to repay the value of the shares to be issued in cash. The Company can also elect, at any time after 1 June 2023, to repay in full the then remaining balance of the Advance Payment value of \$1.7 million, although it must first provide Lind the ability to subscribe, in accordance with the Placement Agreement for one-third of that amount.
- **Other terms:** as is customary with these types of arrangements, the Placement Agreement contains typical investor protections such as negative covenants and representations and warranties.

- **Listing Rule 7.1:**
 - The Options and Initial Shares are being issued pursuant to the Company's placement capacity under Listing Rule 7.1.
 - The agreement to issue shares to the value of \$1.7 million over the next 24 months is being made pursuant to the Company's placement capacity under Listing Rule 7.1.
 - To maximise its placement capacity, the Company has agreed to seek shareholder ratification of all prior securities issued under the Placement Agreement at each General Meeting of shareholders, and to convene a meeting for such purpose, as necessary.
- **Further funding:** a further \$3.5 million in funding is accessible on the same terms by mutual agreement. The additional funding is available in minimum increments of \$1 million.

Under the Agreement, the aggregate of securities agreed to be issued (including the Initial Shares and Options) is limited to 49,595,158. The limitation does not apply to any shares issued under Listing Rule 7.1A or any shares issued that are subsequently ratified by shareholders under Listing Rule 7.4.

An Appendix 3B for the Agreement will be released following this announcement.

There is no security provided by LBT to Lind in respect to the Placement Agreement. No interest is payable under the Placement Agreement (other than if an event of default occurs).

Approved for release by the LBT Board.

– ENDS –

About The Lind Partners

The Lind Partners manages institutional funds that are leaders in providing growth capital to small- and mid-cap companies publicly traded in the US, Canada, Australia and the UK. Lind's funds make direct investments ranging from US\$1 to US\$30 million, invest in syndicated equity offerings and selectively buy on market. Having completed more than 150 direct investments totalling over US\$1.5 Billion in transaction value, Lind's funds have been flexible and supportive capital partners to investee companies since 2011.

About LBT Innovations

LBT Innovations (LBT) improves laboratory practices through the delivery of intelligent automation solutions. 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 wholly owned subsidiary Clever Culture Systems AG (CCS). Thermo Fisher Scientific, Inc is exclusive distributor of the APAS® Independence in the United States and selected countries in Europe.

INVESTOR ENQUIRIES

LBT Innovations
Brent Barnes Chief Executive Officer & Managing Director Tel: +61 8 8227 1555 E: info@lbtinnovations.com