

\$4.5M ENTITLEMENT OFFER

Underwriting commitments of approximately \$3m provides funding certainty for Company

Adelaide, Australia, 13 October 2023: Australian medical technology company LBT Innovations Limited (ASX: LBT) (**LBT** or the **Company**), a leader in microbiology automation using artificial intelligence, is pleased to announce that it will be conducting a pro-rata partially underwritten renounceable entitlement offer to existing eligible shareholders.

Key Points:

- **\$4.5m partially underwritten renounceable Entitlement Offer on a 4 for 1 basis**
- **1 Option for every 1 Share subscribed for under the Entitlement Offer**
- **Underwriting commitment of approximately \$3m provides funding certainty for all Shareholders**
- **Funds to be used to accelerate commercial activation of APAS® PharmaQC for Environmental Monitoring during sterile manufacturing, initially targeting pharmaceutical drug manufacturing**
- **Ability for Eligible Shareholders to apply for additional Shares on the same terms as the Entitlement Offer**

The Company is seeking to raise up to \$4.5 million (before costs) through a 4 for 1 pro rata partially underwritten renounceable entitlement offer at the price of \$0.005 per New Share (**Offer Price**) with the offer of 1 attaching Option for every 1 New Share issued (**Entitlement Offer**).

LBT Chair, Ms Rebecca Wilson said:

“We consider an Entitlement Offer the most appropriate structure for raising capital to provide both priority and fair and equitable participation to all shareholders. Pleasingly we have secured underwriting commitments, including participation from eligible Board members, that demonstrates confidence in our commercial strategy and provides comfort to shareholders about the rights issue outcome.”

Purpose of the Offer:

The Company intends to use the proceeds of the Offer to accelerate commercial activation of APAS® PharmaQC, continue driving APAS® sales in clinical microbiology, both resulting in higher working capital, and repayment of the Lind facility in full.

Uses	Proceeds (\$m)**
US clinical sales	0.4
EU clinical sales	0.4
Pharma development (product and market development)	0.9
Working capital	1.6
Repayment of Lind facility*	0.9
Offer costs	0.3
Total uses	4.5

* LBT was provided with a short-term loan by one of the sub-underwriters to the Entitlement Offer to facilitate the repayment of the Lind placement facility under the terms of the Lind agreement, prior to receipt of the proceeds under the Entitlement Offer. LBT has now repaid the Lind facility in full.

**The offer proceeds have been assumed in respect of the Entitlement Offer on the basis that the Entitlement Offer is subscribed to the maximum of \$4,500,000.

Entitlement Offer:

The Entitlement Offer is being conducted by way of a 4 for 1 pro rata partially underwritten renounceable entitlement offer. Participants in the Entitlement Offer will also be issued with 1 attaching Option for every 1 New Share issued, with the Option terms set out below:

- 50% of the Options having an exercise price of \$0.005 each and an expiry date of 10 months from the issue date; and
- 50% of the Options having an exercise price of \$0.008 each and an expiry date of 24 months from the issue date.

LBT will apply to ASX for quotation of the New Shares and Options on ASX.

A prospectus in relation to the Entitlement Offer was lodged with ASIC on 13 October 2023 and, together with a personalised entitlement acceptance form, will be sent to Eligible Shareholders shortly after the Record Date.

The other key terms of the Entitlement Offer are as follows.

- An Entitlement Offer of up to 900 million Shares to raise up to \$4.5 million, and up to 900 million Options.
- The Entitlement Offer will be extended to shareholders with a registered address in Australia, New Zealand, France, Germany or Singapore, on the record date of 18 October 2023.
- Under a shortfall facility, eligible holders may also apply in excess of their entitlement for any securities not subscribed for by other eligible holders pursuant to the Shortfall Offer at the same issue price as the Entitlement Offer, together with 1 Option for every 1 New Share subscribed.
- New Shares issued under the Entitlement Offer will rank equally with existing Shares in all respects.
- The right to subscribe for the New Shares under the Entitlement Offer will be renounceable (meaning that the right to subscribe for the New Shares will be tradeable on the ASX and otherwise be able to be sold or transferred). The rights trading period will commence on 17 October 2023 and is expected to end on 2 November 2023.
- Eligible Shareholders can choose to take up all, part or none of their Entitlement, or sell part or all of their Entitlement.
- The Entitlement Offer is partially underwritten to approximately \$3 million by Candour Advisory Pty Ltd.

The issue price of Shares under Entitlement Offer represents a 55% discount to the closing price of \$0.011 for LBT's Shares on 12 October 2023, the last trading day prior to this announcement.

Underwriting:

The Underwriter to the Entitlement Offer is Candour Advisory Pty Ltd, who has agreed to partially underwrite the Entitlement Offer to approximately **\$3 million**.

The Company has agreed to pay the Underwriter an underwriting fee of 6.5% of the underwritten amount (exclusive of GST). A summary of the terms of the underwriting agreement is contained in the prospectus.

The Underwriter has appointed a number of sub-underwriters to sub-underwrite the Entitlement Offer to the underwritten commitment of approximately \$3 million, pursuant to separate sub-underwriting agreements. The sub-underwriters include CEO, Brenton Barnes, Chair, Rebecca Wilson and Director, Damian Lismore. A summary of the terms of the sub-underwriting agreements is contained in the prospectus.

Key Dates:

The key dates for the Offer are summarised below and may be subject to change without notice.

Prospectus lodged and Entitlement Offer announcement	Before market opens, Friday, 13 October 2023
Ex date Rights quoted on a deferred settlement basis from market open	Tuesday, 17 October 2023
Record Date for Entitlement Offer	Wednesday, 18 October 2023
Despatch of Prospectus and personalised Entitlement and Acceptance Forms to Eligible Shareholders and Entitlement Offer opens Deferred settlement trading in rights ends at the close of trading	Monday, 23 October 2023
Rights trading ends at close of trading	Thursday, 2 November 2023
Securities quoted on a deferred settlement basis from market open	Friday, 3 November 2023
Close of Entitlement Offer	5.00pm on Thursday, 9 November 2023
Entitlement Offer settlement	Tuesday, 14 November 2023
Announcement of results of Entitlement Offer and Shortfall (if any) and issue of New Securities under the Entitlement Offer Deferred settlement trading ends at market close	Before noon on Wednesday, 15 November 2023
Quotation of New Securities issued under the Entitlement Offer on ASX	Thursday, 16 November 2023
Settlement of trades on deferred settlement basis and normal trade on T+2 basis Updated CHES notices and issuer sponsored holding statements in relation to the New Securities issued under the Entitlement Offer dispatched	Monday, 20 November 2023

Approved for release by the Chair of the LBT Board.

– 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 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

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