

\$1.7M SA GOVERNMENT LOAN RESTRUCTURE

Deferral of principal repayments improves Company cashflows

Adelaide, Australia, 6 November 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 approval to restructure the remaining \$1.74 million loan with the South Australian Government Financing Authority (**SAFA**).

Key Points:

- **Remaining \$1.74 million loan previously scheduled to be repaid over the next 18 months, through principal & interest repayments of \$0.26 million every quarter to May 2025**
- **Approval has been received to restructure the loan to interest only (currently 2.8% pa)**
- **With all principal repayments deferred to calendar year 2026**
- **Improves LBT's cashflows by approximately \$1.7 million over the next 18 months**
- **Supporting the Company's growth initiatives in the pharmaceutical market**

Brent Barnes, CEO & Managing Director said:

"The restructuring of our loan with SAFA is an important part of our overall capital management strategy to prioritise investments into growth initiatives over the next 12 months. The successful restructure allows \$1.7 million of near-term future cashflows to be allocated towards executing our commercialisation strategy for the new APAS® PharmaQC product line. The APAS® PharmaQC product is the expected cornerstone growth driver for the Company where revenues are expected in the second half of 2024 calendar year.

We'd like to acknowledge and thank the South Australian Government for their ongoing support, an important investment partner of the Company."

Financial impact and restructure details

The outstanding loan from the Southern Australian Government is \$1.7 million which was scheduled to have been repaid in full over the next 18 months, concluding May 2025. The Company has received written approval from the Government to restructure the loan facility whereby Quarterly repayments change to interest only, effective immediately, improving near-term cashflows. The loan restructure enables the Company to allocate funding resources towards initiatives that are expected to fundamentally strengthen the long-term financial outlook of the Company.

Key terms of the restructure:

- Scheduled loan repayments deferred until Calendar Year 2026:
 - First principal repayment of \$0.87 million to be made on 30 April 2026
 - Second principal repayment of \$0.87 million to be made on 31 October 2026
- With an early repayment clause contingent on future proceeds being received by LBT for the exercise of options expected to be issued under the terms of the existing Entitlement Offer (refer ASX announcement 13 October 2023):
 - LBT will retain the first \$1.0 million of any proceeds from the exercise of options expiring September 2024, with the remainder of any proceeds to be applied to an early prepayment of the loan; and
 - Any proceeds from the exercise of options expiring November 2025 will be applied as a further early repayment of the loan that, if sufficient, will extinguish the debt.
- The loan will otherwise be subject to monthly interest payments only (currently at an interest rate of 2.8% pa).

The loan restructure is subject to raising minimum gross proceeds of \$3.5 million under the Entitlement Offer, noting that the Entitlement Offer is now underwritten to \$3.6 million. (refer ASX announcement 27 October 2023).

Approved for release by the LBT Board.

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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 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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