

CHAIR'S ADDRESS – 2023 AGM

Adelaide, 29 November 2023

Dear Shareholders

On behalf of the LBT Innovations Board, it is my pleasure to welcome you to our 2023 Annual General Meeting. It is my first AGM since joining as Chair of LBT Innovations in July this year and I'm happy to be able to share these opening remarks on the outlook of the Company today.

I joined LBT with a complete understanding of the serious funding uncertainties facing the Company in the near term. It was clear to me that the Company is at a point of transition, whereby commercial activation had been slower than expected. However importantly the Company had commenced a process of market expansion to broaden the application of APAS® into the pharmaceutical market segment. Our APAS® technology is best-in-class technology with proven performance and established regulatory clearances across several applications in the clinical market. This technology success has laid the foundations for the Company to extend beyond clinical microbiology to include pharmaceutical manufacturing. I saw opportunity in this updated business strategy and that by addressing the funding challenges faced by the Company, we would give Shareholders an opportunity to realise the potential of the APAS® platform.

Launching a product in the medical industry is challenging, with clinicians a traditionally cautious buying group, and often slower to adopt new technologies. Over previous years we have built an impressive body of data that supports the use of APAS® in the clinical market and have successfully appointed a global leader as our distribution partner for Europe and the United States. Thermo Fisher are leaders in Clinical Microbiology and having them as our commercial partner is a strong validation of the technology in the market. It is clear however, that the clinical market on its own would not contribute to building a medical technology business to scale.

The clinical market does however remain an important market for our technology. Over the next 12-24 months we expect a steady build of sales as the APAS® technology becomes more accepted amongst clinicians and as market conditions improve as hospital balance sheets continue to recover from losses incurred during the COVID-19 pandemic.

In January 2023, we announced a \$1.1 million partnership with AstraZeneca to extend the application of our technology into the pharmaceutical manufacturing market for the reading of environmental monitoring culture plates. This opportunity was created due to our prior achievements in the clinical market and the recognition that the APAS® technology provides a unique solution for culture plate reading. It was an important validator that led to this new opportunity which has broadened our target market and de-risks the company by removing the reliance on a single channel.

The partnership with AstraZeneca has been hugely important for us in a new market vertical, where AstraZeneca's voice of customer input has been valuable in guiding our product development. We saw this just last week with AstraZeneca presenting APAS® PharmaQC data and presenting our technology as best practice to an audience of other pharmaceutical executives. The APAS® PharmaQC project remains on track to be delivered early in the 2024 calendar year. Upon completion AstraZeneca will commence a phase of technology validation ahead of a planned roll out across their manufacturing sites worldwide, whereby we expect sales to commence sometime in the second half of 2024.

Ahead of launching the product, we have begun commercial activities, focussing on raising awareness and lead generation through conference attendance and business development targeting major pharmaceutical manufacturers. The market response we have received has been encouraging, with customers and regulators identifying the opportunity to improve workflows and traceability. Our early experience also points to a more concentrated buyer group than we have witnessed in the clinical market, where manufacturers have established teams in place to identify new technologies that can be adopted and implemented across their manufacturing network. To date, our strategy has been to focus on the largest pharmaceutical companies and Contract Drug Manufacturers that operate multiple facilities worldwide and therefore represent multiple buying opportunities for our technology.

As we advance our commercialisation strategies in clinical and pharmaceutical – a process that requires focus and high execution – we remain committed to developing APAS® Compact and new important applications for the pharmaceutical sector. This continued development is important for us to realise the full potential of our APAS® technology in the market but must be balanced against the near-term objectives in the clinical and pharma markets.

We recently completed a successful \$4.0 million capital raising via a Shareholder Entitlement Offer (**Entitlement Offer**). The Board consciously considered this structure for raising capital important to provide both priority and fair and equitable participation to all existing Shareholders. The sub-underwriting commitment underpinned a successful funding outcome – one that provided certainty to shareholders - and I'd like to thank existing and new investors who supported the Company in this raise.

The finalisation of the Entitlement Offer was the last of three initiatives that completed a financial restructure that has strengthened our balance sheet and improved future cash flows for the Company. As part of the financial restructuring, we took the opportunity to repay the established Share Placement Facility with Lind, removing the potential ongoing negative share price overhang that these types of facilities can create.

The security of funding has been top priority for the Board. We have taken important steps to re-set the Company financially and provide a cash runway that works towards a path to financial breakeven. To achieve this, we need to be successful in the commercialisation of our APAS® technology. We expect the pharmaceutical sector as being the primary growth driver for instrument sales over the next two years and are therefore prioritising resource allocation towards achieving this. This means

diligent focus on product development activities that support this vertical and delivery against a targeted commercialisation strategy that accelerates adoption in this market.

Finally, I'd like to thank my fellow board members Brian O'Dwyer and Damian Lismore for their support, Brent and the entire LBT team, and you our shareholders for your support.

I would now like to hand over to our CEO, Brent Barnes, who will provide a short presentation on our updated business strategy and outlook.

Approved for release by the Chair on behalf of 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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