LBT INNOVATIONS
ACN 107 670 673

BUSINESS UPDATE PRESENTATION

Adelaide, Australia, 30 April 2019: 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 disclose the attached business update Presentation. This Presentation details the Company's current positioning and its updated strategies and milestones for 2019 and beyond.

As previously announced, Brent Barnes will be hosting an **Investor conference call** at **9.00am AEST on Wednesday 1 May 2019** to discuss the Quarterly Results and Business outlook which will also include the updates in this Presentation.

Brent Barnes, CEO and Managing Director and Ray Ridge, CFO, will be also attending non-deal roadshow meetings with various investors in Australia in the week commencing 6th May 2019.

– 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 the culture plate streaking process. The Company's second product, the Automated Plate Assessment System (APAS®) is being commercialised through LBT's 50% owned joint venture company Clever Culture Systems AG (CCS) with Hettich Holding Beteiligungs- und Verwaltungs-GmbH. The APAS® instrument is based upon LBT's intelligent imaging and machine learning software and remains the only US FDA-cleared artificial intelligence technology for automated imaging, analysis and interpretation of culture plates following incubation.

CONTACTS

LBT Innovations	Investor Enquiries
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Company Update Presentation

30 April 2019

Brent Barnes

Managing Director & Chief Executive Officer

Disclaimer

This document contains certain forward-looking statements that involve risks and uncertainties. Although we believe that the expectations reflected in the forward-looking statements are reasonable at this time, we can give no assurance that these expectations will prove to be correct.

Given these uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements. Actual results could differ materially from those anticipated in these forward-looking statements due to many important factors, risk and uncertainties including, without limitation, risks associated with estimating potential quantity and timing of sales, risks associated with medical device development and manufacture, risks inherent in the extensive regulatory approval processes mandated by regulatory authorities, delays in clinical trials, future capital needs, general economic uncertainly and other risks detailed from time to time in the Company's announcements to the ASX.

Moreover, there can be no assurance that others will not independently develop similar products or processes or design around patents owned or licensed by the Company, or that patents owned or licensed by the Company will provide meaningful protection or competitive advantages.

All reasonable efforts have been made to provide accurate information, but the Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, except as may be required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.

Agenda

1. Company Overview
2. Sales & Commercial Strategy & Update
3. Value Proposition & Conclusions

Overview

Artificial intelligence platform automating manual healthcare processes

Commercial launch underway EU & AU - US late 2018

Cost and efficiency gains for Pathology labs **3 times faster** than manual reading

Attractive revenue model - upfront + annual fees

Addressable market of **13,000 labs globally**

APAS® Independence

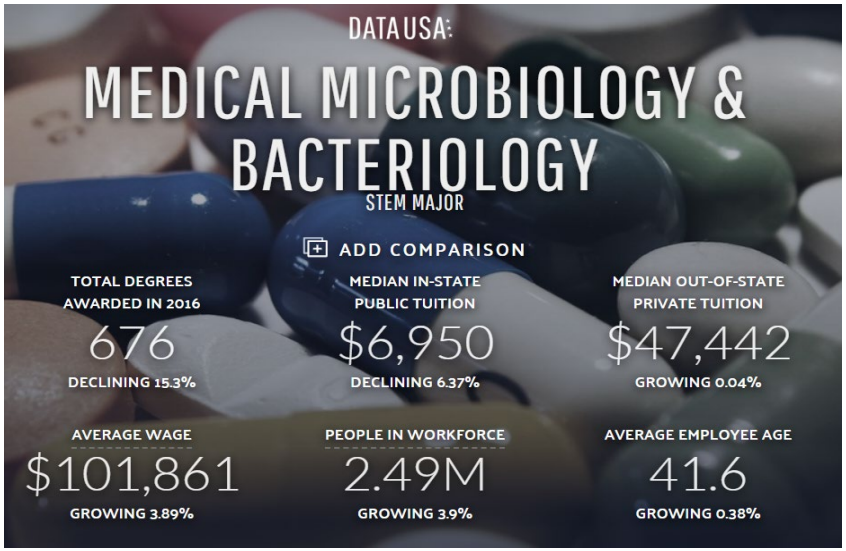
FDA cleared - 10,000 patient clinical study

Proprietary **patented** technology

1st sale completed St. Vincent's Hospital, Melb

Expanding leadership team & board

Problems facing our customers



Poor resource utilisation

- Up to 85% of plates can be negative

Ensuring consistent results

- Microbiologist **error rates** of 5.5% - 6.6%; over 12% morphology

Increasing costs

- Microbiologist **costs** AUD$80,000 - 150,000+

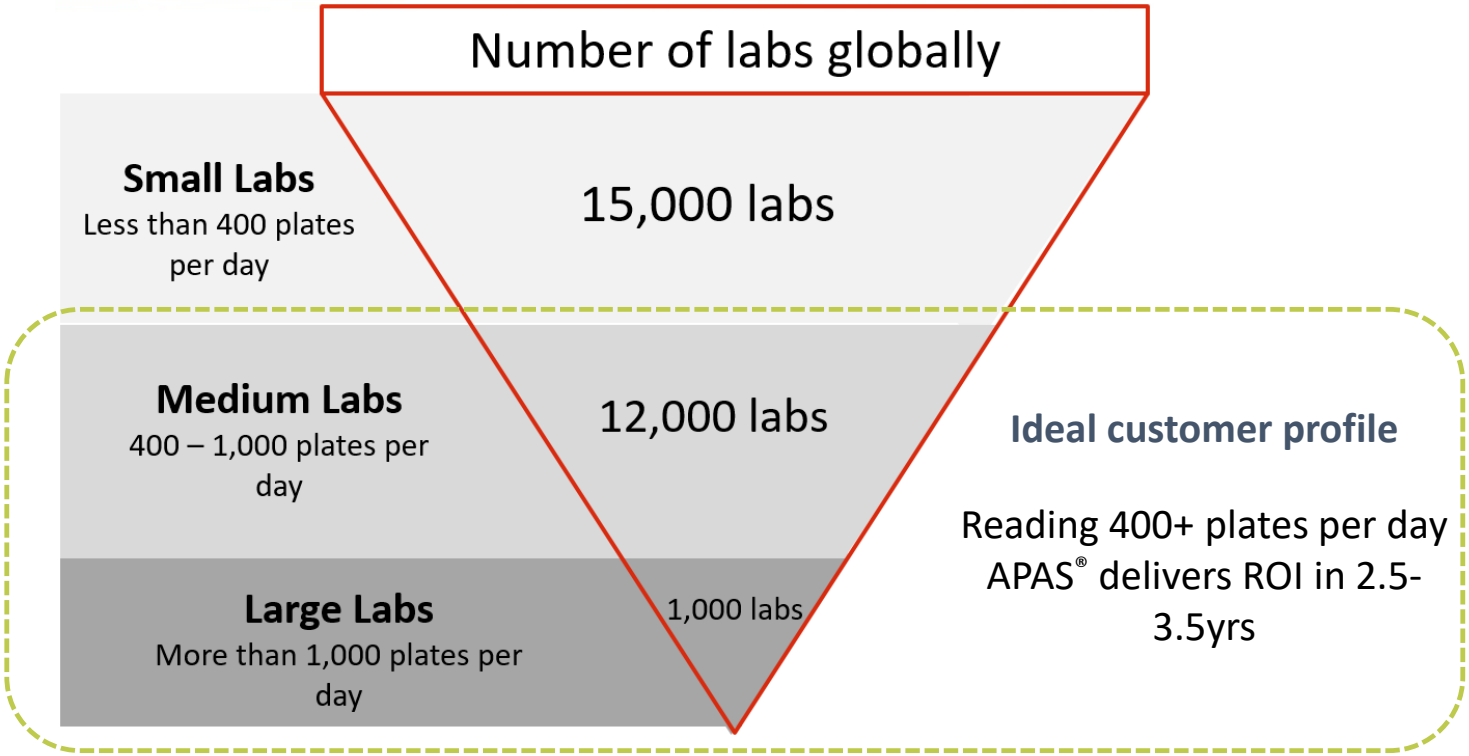
Shortage of Microbiologists

- US vacancy rate at any one time is 9%
- Declining profession / labour shortage

Workplace safety issues

- Strain injuries caused by repetitive manual processes
- Management: sick days, annual leave

Potential target market ~ 13,000 labs



First mover advantage

WASPLab™

BD Kiestra™ Total Lab Automation

Two main competitors in automation of microbiology

- Automate lab work flow but not plate reading - still require microbiologists
- Large capital cost ~ US$2.5m+ cost
- Complex and long lead times
- Low penetration ~ 150 units in 10 yrs

APAS® Independence difference

- First & only FDA-Cleared: automated reading & interpretation
- Modular design – works with other solutions
- Much more affordable @ US$0.3m

APAS® Independence

Inoculation and Culture Plate Streaking → Incubate → **Automated Plate Reading** → Identification & antibiotic sensitivity testing

Capital & annuity sales model

End Customer Pricing

Purchase price
~US$300,000
leasing model available

Annual Software License:
~US$20K - $40K

Annual accessories:
~US$1K - $2K

5 year revenue opportunity

~US$0.45m
per instrument

CLEVER CULTURE SYSTEMS

50:50 Joint Venture

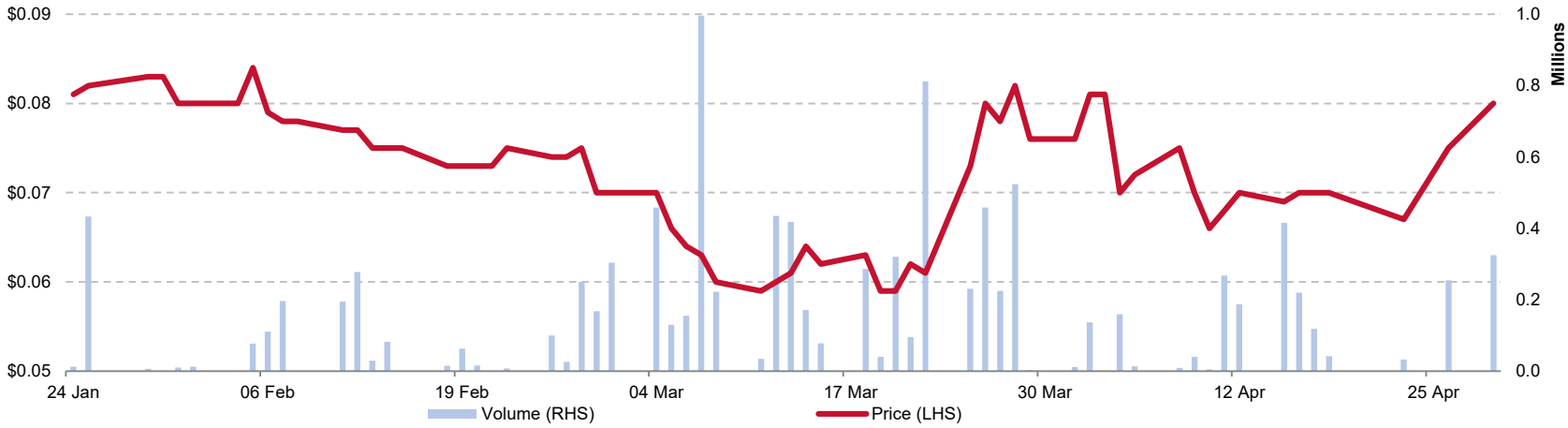
LBT INNOVATIONS HETTICH LABORAPPARATE

Contribute equally to operational and development costs
Profits shared equally

Corporate overview

Key Statistics (Closing on 29 April 2019)	
Share Price	**$0.08 per share**
12-month range	$0.059 - $0.150
Number of shares	200.9 million
Options Issued	3.6 million
Market Cap	**~$16.1 million**

Financials	
Current Cash	**$4.2 million** (as at 31 March 2019)
SAFA Loan Facility	$4 million facility – process for $1m drawdown commenced Low interest rate, 5-year term
Enterprise value	$11.9 million
Shareholders	**Insto (20%), Industry (8%), Dir + Mgmt (5%)**

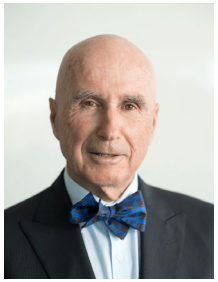


Experienced Board and Management

Brent Barnes
CEO and MD
Commenced Oct-16

Kate Costello
Chairman
Commenced Aug-05

Damian Lismore
NED



Steve Mathwin
NED

Simon Arkell
NED

Caroline Popper
NED

LBT Board
LBT's board bring broad knowledge and experiences to the business, including:

- Public listed company business (ASX and NASDAQ)
- Healthcare and technology focus
- Financial management, capital raisings and law
- International board members with US focus

LBT Management Team
LBT's management team bring together specialist skills across core disciplines:

- Artificial intelligence and software engineering
- Medical device product development
- Quality and regulatory affairs
- Early product commercialisation

1. Company Overview

2. Sales & Commercial Strategy & Update

3. Value Proposition & Conclusions

Recap of path to market

Pre-sales commercialisation

Publications & white papers → Reference site(s) → Sales pipeline

Instrument Development → Analysis Module Development → Regulatory Clearances

Product Development

Instrument + Analysis Module cleared for sale

Sales Process

Build Awareness	Laboratory Feasibility	Customer Evaluation	Buying Decision
•Grow prospective customer base •Demonstrate at conferences •Publications •Establish Reference sites and key opinion leaders	•APAS target laboratory profile: o>400 samples per day oAgar media used oSpecimen types processed	•Instrument demonstration •Onsite customer evaluation •Develop evaluation protocol •LIS Integration	•Customer workflow assessment •Maintenance and support •ROI assessment •Investment committee decision

Strategy: Development, global footprint, product cleared for sale, early sales

Distributor Appointment

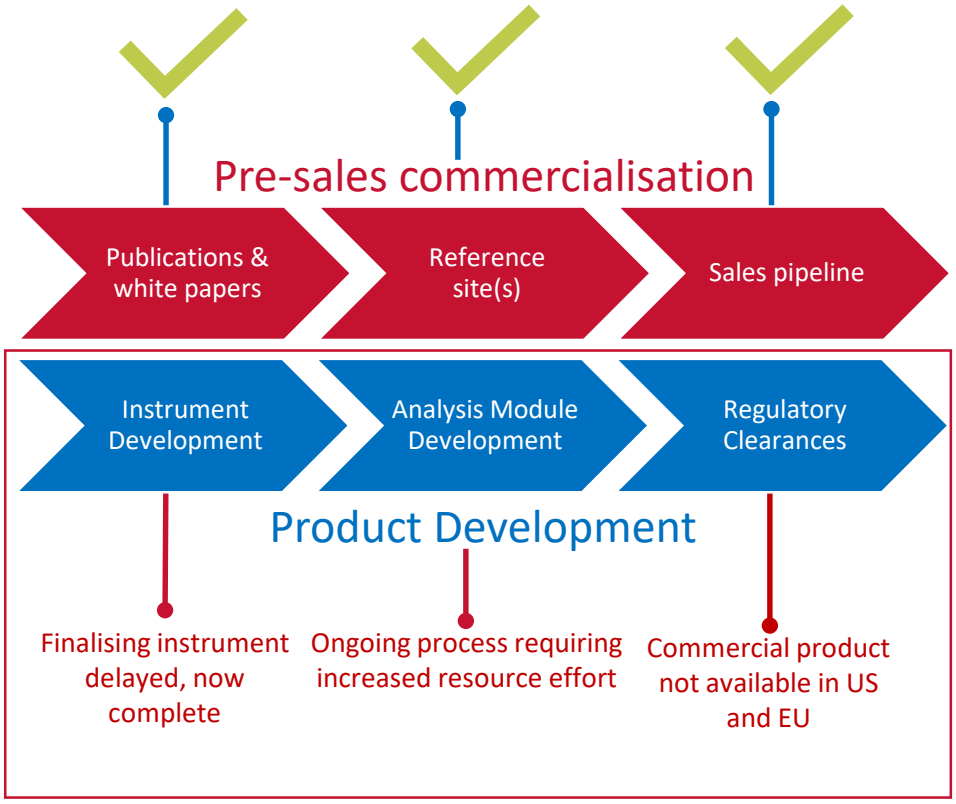
sales, service, expanded reach

Engaging Distributors

- Routine clinical use in their market
- Demonstrate customer engagement
- Initial sales pipeline established
- Regulatory cleared product

2018 lessons we learned

Delays in instrument and analysis module development postponed availability of product for sale



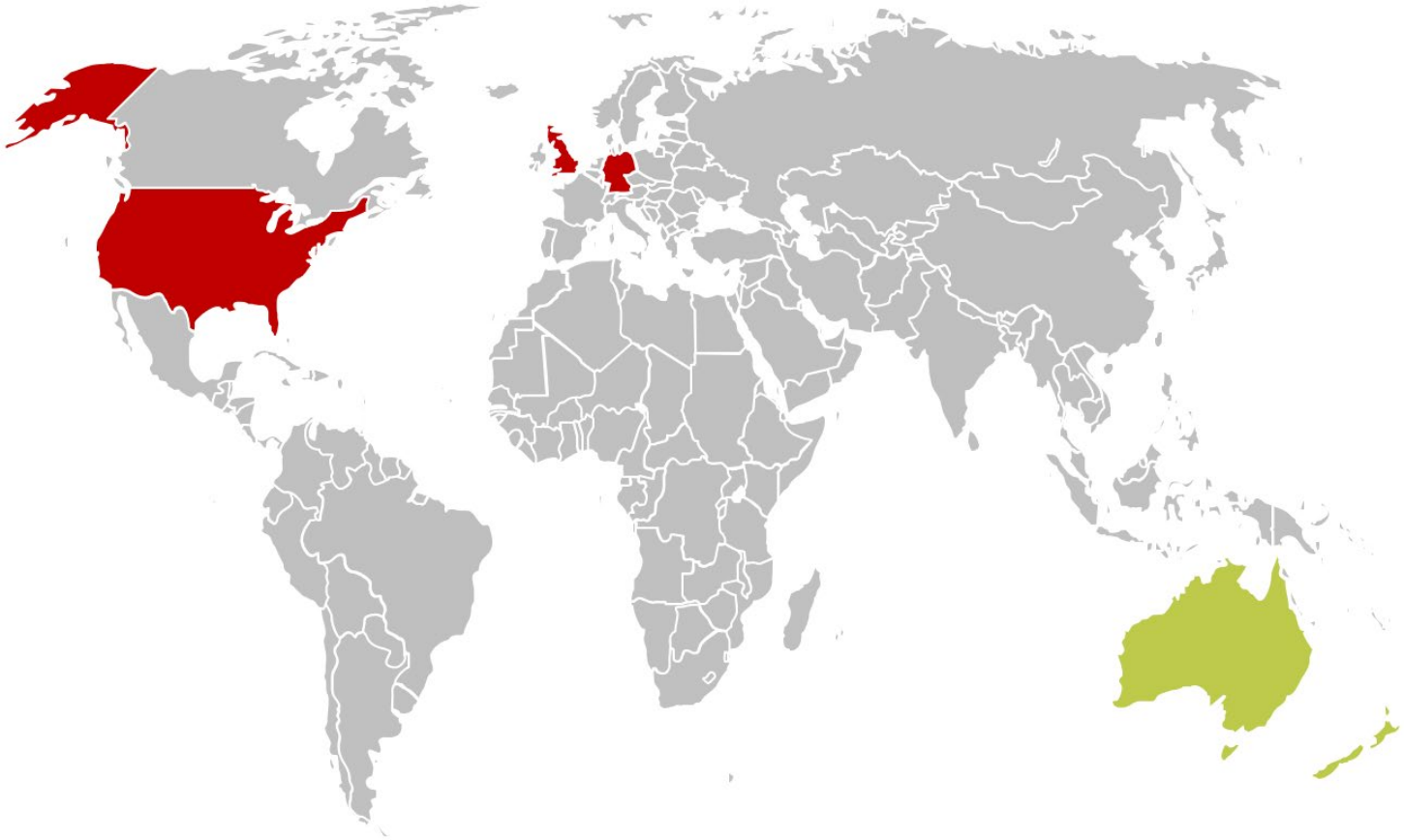
Sales Pipeline and Process

- Sales cycle longer than expected
- Additional modules will attract more customers
- US FDA clearance delayed
- EU commercial product not available
- Constrained to a single, small market – Australia
- No Australian public hospital tenders in 2018

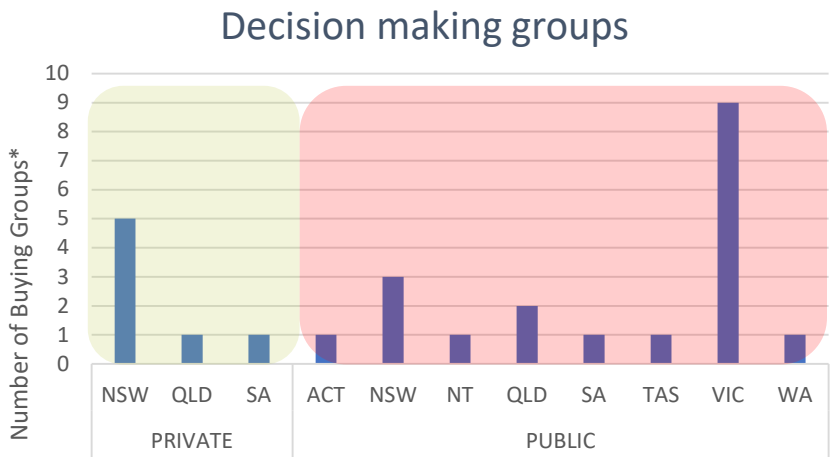
2018 Expected	Achieved
Australia – 5 sales	✗
US launch	✗
Germany launch	✗

Issue 1 – Not available in global markets

Constrained to a single market, Australia



Issue 2 – Limited Australian opportunities



** Buying Group: purchasing decision makers that represent a number of hospitals or sites*

- 26 Total decision making groups:
  - 7 private
  - 19 public
- Total market: 20 - 40 Instruments
- 4 pipeline sales in 2018 delayed
- Long sales process with customers

Updated 2019 sales opportunity

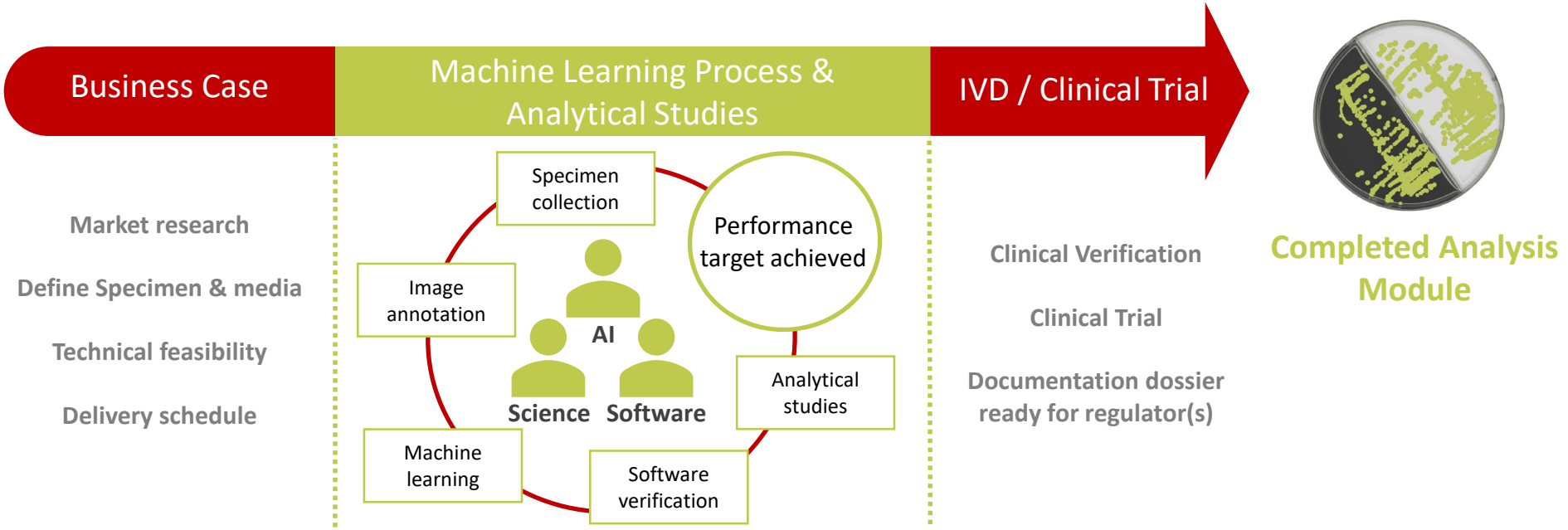
Private: 2-3 buying groups in sales pipeline

Public: 0 tenders confirmed for release

Issue 3 – AM development process

Issues:

- Establishment of a new process
- Transitioning to a scalable and repeatable “manufacturing” process for software
- Highly regulated, Class II medical device
- End-to-end activities took longer than expected



Addressing Analysis Module development

AM development: critical process allowing the APAS® instrument to be used on more specimens
More specimens = increased clinical utility = larger addressable market for sales

2010

1st AM: Urine module for US
1 media – 1 AM
Invention of new technology, validated by 10,000 patient clinical trial, cleared by US FDA

2016

Business Case | Machine Learning Process & Analytical Studies | IVD / Clinical Trial

2nd AM: Urine module for AU
2 media – 2 AM's
18 months

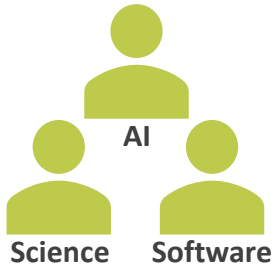
3rd AM: MRSA for AU, US, EU
4 media supported – 4 AM's
9 months

Target: 4 media / AM's
6 months to deliver

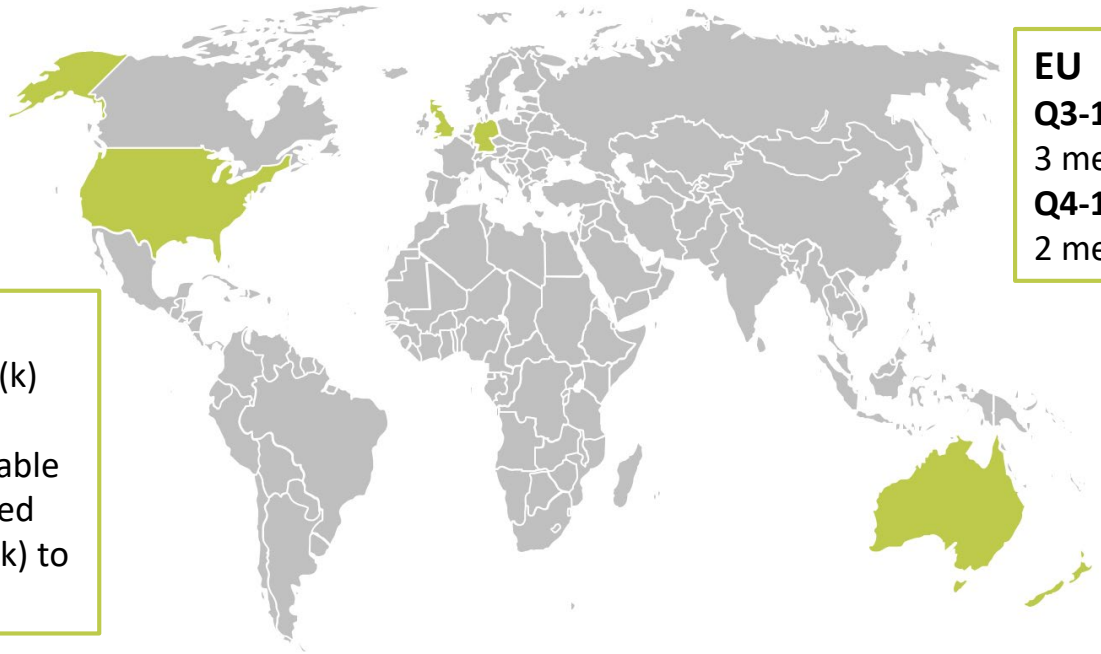
2019

Moving from invention to software manufacturing of AM's over past 15 months:

- Optimisation of end-to-end process
- 10 people added over past 15 months to increase throughput
- Insourcing strategy aligned to SAFA funding



2019 expanding global availability



EU
Q3-19 MRSA AM available
3 media types supported
Q4-19 Urine AM available
2 media types supported

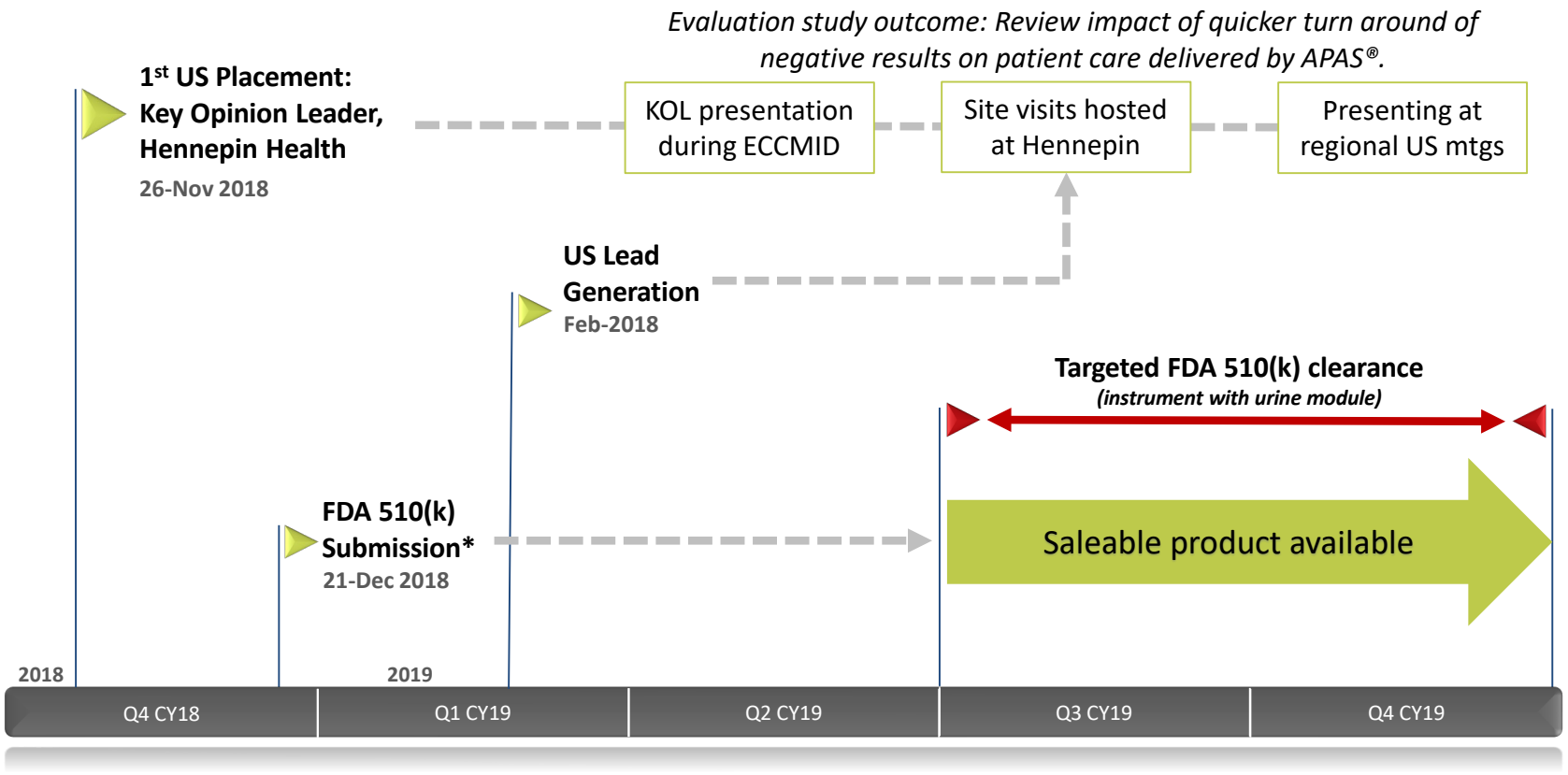
US
Dec-18 Urine AM 510(k) application submitted
H2-19 Urine AM available
1 media type supported
H1-20 MRSA AM 510(k) to be submitted to FDA

APAS® **available for sale** in **Germany and United States** in **second half of CY 2019**

- Sales process commenced ahead of product availability in DE & US
- Presentation of APAS® at major conferences
- Focus on heavy lifting with goal to appoint distributor(s)
- **Nominal sales conversion expected**

2019 - US commercialisation pathway

Targeting to have the only FDA cleared **commercial** instrument available in the US this year



*Instrument + urine module (module cleared already with de novo in Oct-16)

2019 - EU commercialisation pathway

CE Mark for MRSA AM **targeted for Q3 2019**
Sales focussed on 4 laboratory providers operating 71 sites in Germany

Commercialisation underway to build sales pipeline

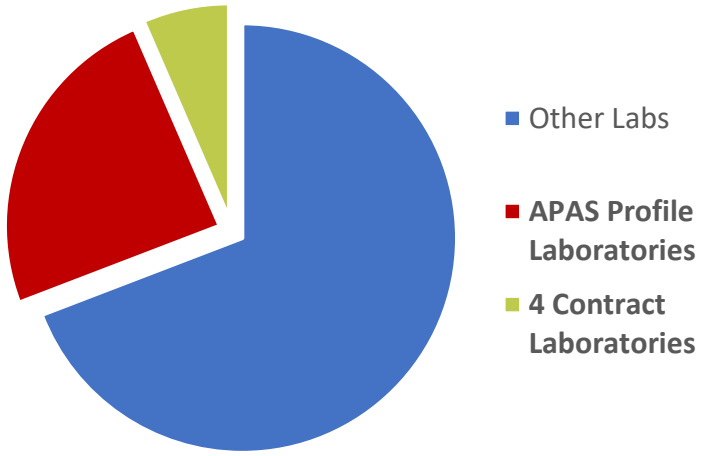
- Sales executive started Dec-18
- MRSA study completed by Labor Dr Wisplinghoff
- Data presented at ECCMID 2019
- Evaluation to procure underway

CE Mark and commercial launch in 2019

– MRSA and urine

- Combined MRSA and urine specimens account for 70% of culture plate volume

German Market Snapshot



1,090 laboratories, > 300 laboratories meeting APAS® target profile

4 contract laboratory providers cover 71 sites and > 50% of microbiology testing for the region

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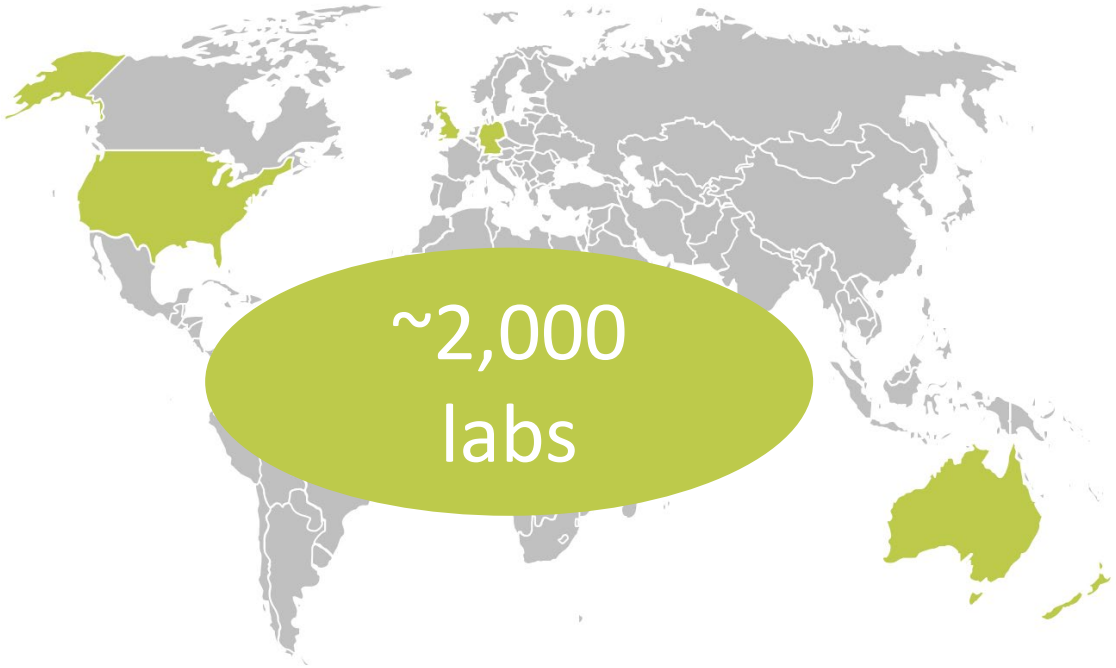
LBT opportunity remains large

Addressable market H2-19



Penetration rate of 4 planned countries

20%
400 units

Cumulative instrument sales
~AUD$160M

Software licence, building to
~AUD$16M p.a.

30%
600 units

Cumulative instrument sales
~AUD$240M

Software licence, building to
~AUD$24M p.a.

Rest of world adds incremental size and opportunity.

2019 opens large markets

United States

The largest single market for APAS®
Independence with an estimated **1,500 laboratories** meeting our target profile

2019: FDA clearance for the APAS® Independence targeted for H2-19

Lead generation activities have commenced to build active pipeline of qualified sales

UK and Germany

2018: Established local sales presence and reference site supporting MRSA AM development

2019: building sales pipeline ahead of product launch in Q3

> 400 laboratories meeting APAS® target profile

Australia

2018: Establish the sales process

20 – 40 labs that meet APAS® target profile

Investment Highlights

Competitive positioning remains strong	• APAS® Independence remains first in class as the only FDA cleared product using AI for automated clinical microbiology reading • Commercial launch phase commenced 2018 and first sale in Aug 18
Commercial strategy updated for 2018 lessons	• Overcoming lessons of 2018 – optimisation of analysis module development facilitating path to market • Commercial launch in EU and US targeted for H2-19 with a focus on building the sales pipeline ahead of commercial release
Funding into 2020	• Available cash of $4.2m as at 31 Mar 2019 • SA Govt loan facility up to $4m available to 31 Dec 2019 • Cash spend limited to < $1.6m per quarter, over next 12 months
Large value proposition	• 2019 will see modest sales while the infrastructure is being built out • Size of the target market potential from the end of 2019 > 2,000 labs • Attractive sales model with upfront payment and annual recurring fees

LBT INNOVATIONS

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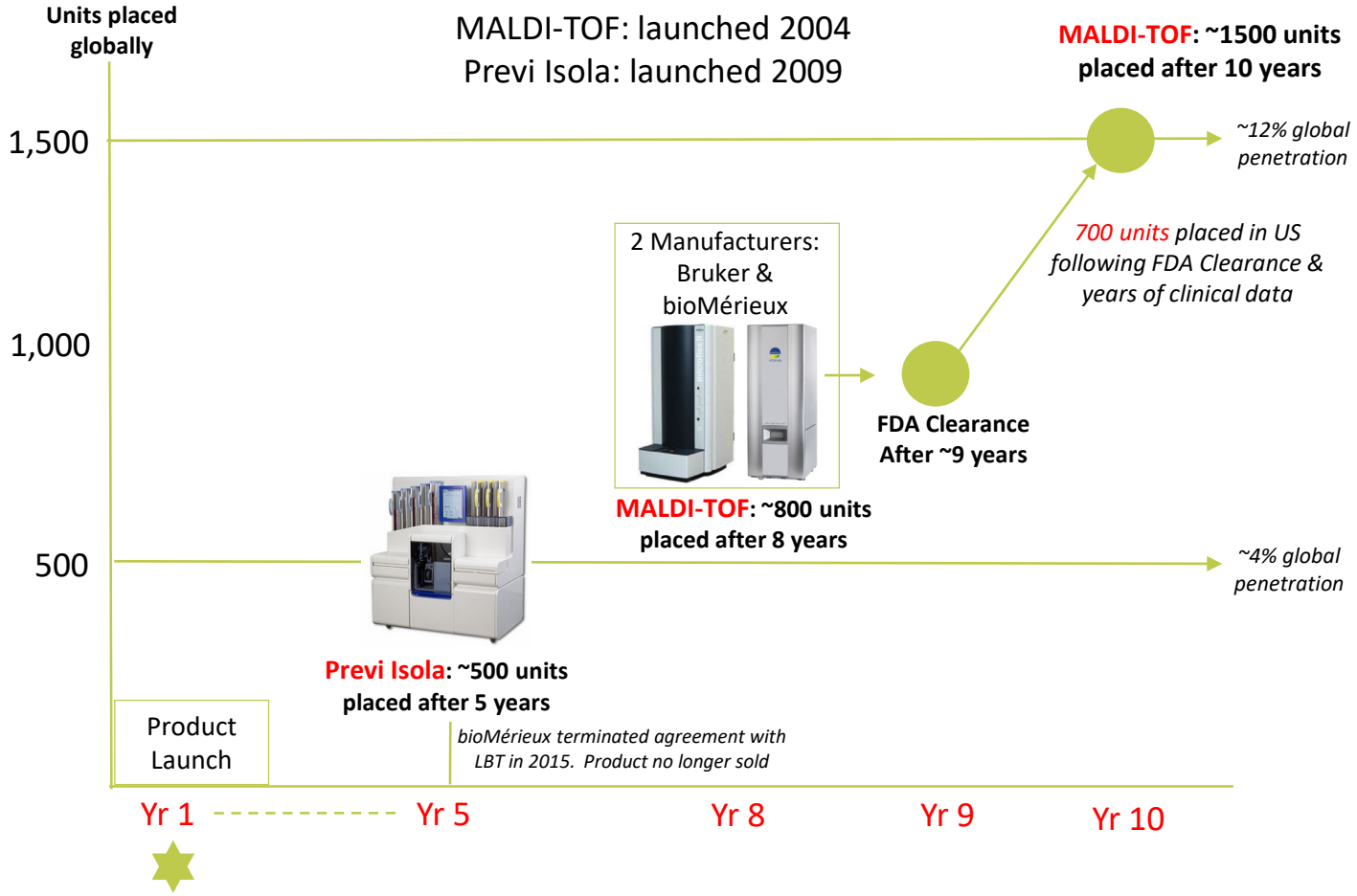
APPENDIX 1: Similar products case study



Case Study APAS® Independence:

1,500 units after 10 years

1. Cumulative Instrument sales: ~AUD$600M

50% flows to LBT (after distributor fees & JV costs)

2. Licence fees, building to: **~AUD$60M per annum**

majority flows to LBT *(after distributor fees)*