The Manager
Company Announcements Office
ASX Limited

CHAIRMAN'S ADDRESS – 2019 AGM

Adelaide, 27 November 2019: On behalf of the LBT Innovations Board, I'm pleased to welcome all shareholders who have made it today to our Annual General meeting. In addition to the formalities of the meeting there will also be a short presentation on our progress and key developments over the past year.

The CEO Brent Barnes will be presenting shortly, however I wanted to make some opening remarks on what has been a transformational year for the Company. This year we have passed the final regulatory hurdles to commence selling our APAS® Independence in both the European Union and United States markets. This is indeed a significant step forward for us commercially with the ability to now sell within these much larger markets.

In the United States the commercial version of the APAS® Independence with our urine analysis module achieved FDA 510(k) clearance in May. The market opportunity in the U.S. is the largest globally, with an estimated 1,500 laboratories meeting the profile for the APAS® Independence.

The Company had a strategy to actively build a commercial pipeline ahead of this approval. It was and is important to lay these foundations, as the sales cycle for capital equipment in healthcare can be long and requires many touchpoints with customers. Our team has been busy for some time with a directed outbound calling campaign to identify laboratories that meet the target profile. What is very pleasing is that we have generated over 180 qualified leads as part of this pipeline development.

The centre of excellence we have in Minneapolis at Hennepin Medical Centre is another key plank in this U.S. strategy. Hennepin is a renowned innovative lab and a great asset for us, providing the opportunity to bring laboratory directors and clinicians from around the U.S. to view our ground-breaking technology working first hand.

As we reported more recently, we achieved CE Marking for the APAS® Independence in September with the MRSA module. This allows us to sell commercially in all of the member countries of the European Union. Our German based centre of excellence, Labor Dr Wisplinghoff assisted in the development of our MRSA analysis performing the initial data capture on more than 17,000 MRSA culture plates. A few weeks ago, we were also very pleased to announce that Labor Dr Wisplinghoff had also purchased an APAS® Independence, being our first commercial sale outside Australia.

We have also been progressing our European pipeline development with lead generation activities and a dedicated sales executive to co-ordinate this. These early sales and marketing activities are important as they demonstrate customer demand for the technology and are a precursor to distributor appointment. In Germany alone there are over 300 potential labs that meet our target profile and already a number of labs have had clinical demonstrations or placements of the device in their facility for testing and evaluation. We hope to be converting these to sales in the near term although we note it is hard to predict timing at this early stage.

In July, we commenced an evaluation process with a leading global healthcare distributor with a view to this distributor taking on our product for distribution through their deep channels. We have been working closely with them over the past few months with regular testing of the unit and voice of the customer processes. I am pleased to report that the progress has been good with positive feedback on usability and reliability of the unit.

In Australia, the market is segmented between public and private sector laboratories. Unfortunately, during the past twelve months there have been no suitable tenders available for the APAS® Independence within the public sector space. This has limited the opportunity to achieve further sales of the APAS® instrument in this region to only the private sector group.

Our research and development team has helped us achieve a number of milestones this year. In addition to the two regulatory clearances we also successfully developed the MRSA analysis module for the detection of golden staph which I

am sure you can appreciate is a very important and high frequency test conducted in our target labs. As we add each analysis module using our core artificial intelligence and machine learning, this enables our customers to run a wider range of tests through the instrument and gain increased utility from the technology. This also increases the value proposition for the customer as they continue to battle increased numbers of tests and shortage of qualified pathologists to run them.

I would also like to make mention of Dr Lisa Brenton and her wonderful team at St Vincent's in Melbourne who successfully conducted the MRSA study for us. The partnership we have built over the last couple of years helps us to ensure a robust process for ongoing technology development.

On corporate matters, following the FDA approval we took the opportunity in May to strengthen our balance sheet raising $5 million through an oversubscribed private placement. In addition, we have continued to receive strong support from the South Australian Government and have now drawn down $2.5 million of the $4 million loan they have provided us. We are looking forward to hosting the Premier at our offices in Adelaide tomorrow for a demonstration of the APAS® Independence.

On the Board, non-executive director Dr Glenn Haifer stepped down in March to focus on building his own businesses. In October, Stephen Mathwin retired from the Board after 13 years' service providing diligent support to the Company. We wish both Glenn and Steve all the best in the future.

As part of a Board regeneration process we also welcomed two new directors, Simon Arkell and Damian Lismore. Simon is a high-tech entrepreneur based in the U.S. with a focus on artificial intelligence and software analytics companies. And Damian brings extensive commercial, international and listed company experience across many industries including healthcare and technology.

Finally, as I said at the outset, the achievements the Company has made throughout the year represent positive progress towards the commercialisation of the APAS® Independence. We continue to be a world leader in the field of digital microbiology using AI with the only FDA and CE Mark cleared device available for the automated reading of culture plates. Our data is regularly presented at leading global conferences such as the European Congress of Clinical Microbiology and Infectious Diseases and ASM Microbe in the United States. We are excited by the opportunity ahead as we focus on executing our commercialisation strategy for expansion into the United States and Europe.

I would now like to hand over to CEO, Brent Barnes, who will provide a short update on operational matters and then outline our plans and goals for the coming year.

I wish to thank you for your continued and much valued support as loyal LBT shareholders.

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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 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.

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