



LBT INNOVATIONS

ASX code: LBT | lbtinnovations.com

CEO Presentation
AGM 28 October 2014

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 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 uncertainty 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.



Introduction

LBT Innovations Limited (ASX:LBT) is an entrepreneurial Australian innovation company, developing automated diagnostic solutions in healthcare

The company's focus is to:

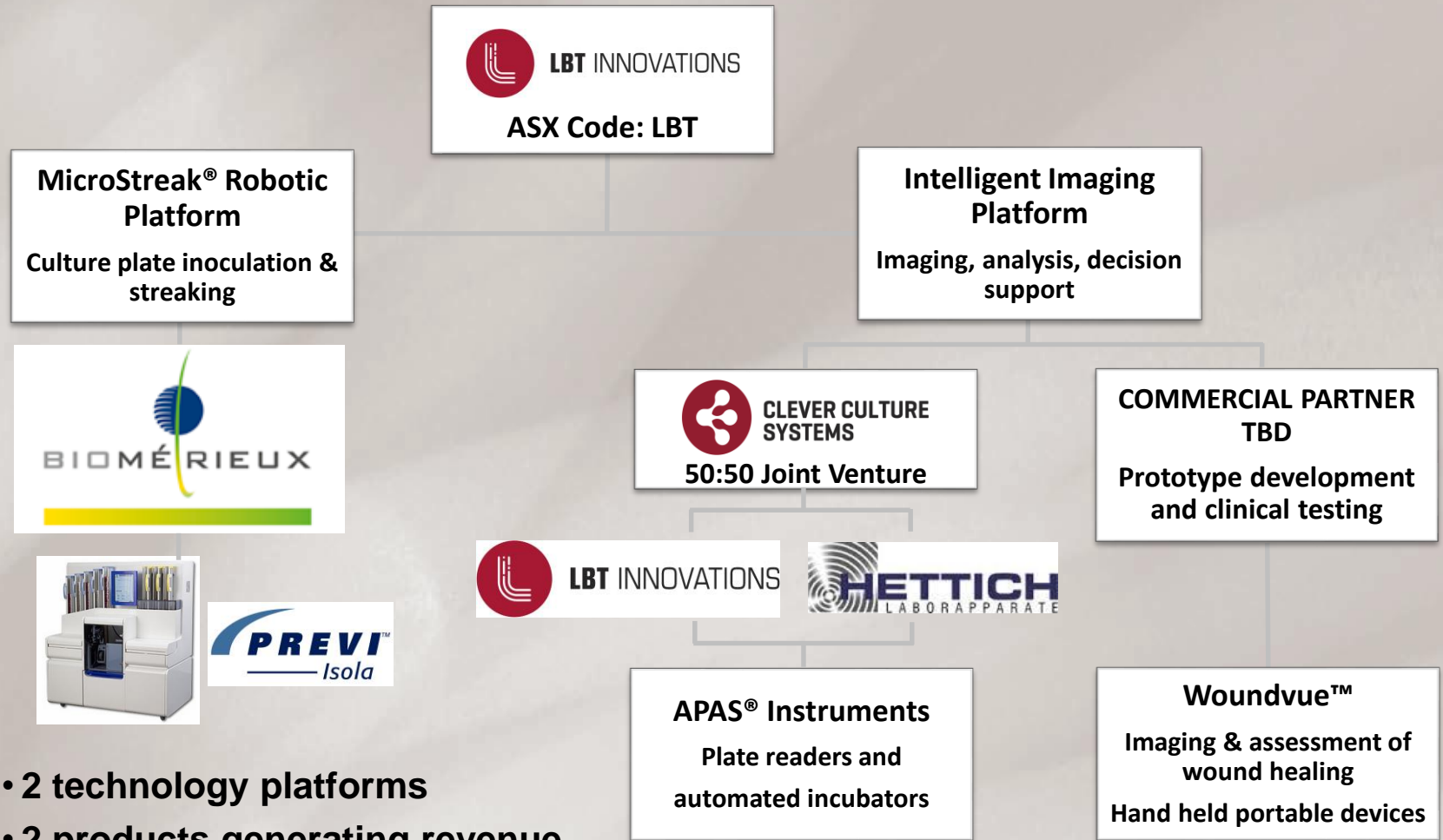
1. Address inefficient processes & practices in pathology laboratories to report results sooner and allow doctors to treat patients faster
2. Design automated products using breakthrough technologies
3. Commercialise through international partners
4. Build revenue momentum from PREVI® Isola and the APAS® JV
5. Initiate a new project for wound management based on LBT's intelligent imaging platform

After a period of technology development/product commercialisation, LBT is positioned for profitability & sustained growth



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Operating structure



- 2 technology platforms
- 2 products generating revenue
- Product pipeline in R&D
- Established global partners



Snapshot

- APAS® joint venture company, Clever Culture Systems AG (Zurich)
- Upfront \$US2M APAS® payment received
- 3 APAS® milestone payments received, each \$US1M
- \$510K ARC Linkage grant for extension of APAS® R&D into new products
- \$2.01M capital raising through private placement and SPP
- APAS® featured at ECCMID 2014, demonstrator model for ECCMID 2015
- Office relocation; new staff: CFO; Quality Manager; US clinical trial coordinator
- \$250K BioSA grant to initiate LBT's 3rd product, Woundvue™
- \$3M cash refund from ATO R&D Tax Incentive
- APAS® clinical trial programme commences



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Investor summary 30 September 2014



Key Statistics

Code	ASX:LBT
Listed	ASX 2006
Current Price (30 September 2014)	13.5 cents
52 Week High	25.5 cents
52 Week Low	6.8 cents
Shares Outstanding	114.7 million
Market Cap	A\$15.5 million
Net Cash (30 September 2014)	A\$4.5 million
Directors and Senior Management	13.5%
Strategic Shareholder - bioMérieux	8.5%

Background

Cost-effective management since 2004 inception to Sept 14: 66% of cash funding generated through operating cash flow and 34% via equity; 70% invested in collaborative and contract research

2006 created MicroStreak® technology - marketed as PREVI® Isola
PREVI® Isola commercialised globally by bioMérieux; launched 2009; recurring royalty stream to 2028

2010 created Intelligent Imaging platform, based on world class computer vision technology with applications in healthcare diagnostics
2010-13 Automated Plate Assessment System (APAS®) developed

June 2013 Clever Culture Systems established as 50:50 JV with Hettich AG Switzerland to manufacture and commercialise APAS®

Growing international reputation as innovator in infectious diseases

Sept 2014 APAS® Australian clinical trials commence

Future Priorities

Commence Woundvue™ technology development project (Q4 2014)

Secure global distribution for APAS® products (2014-15)

Achieve FDA US market approval for APAS® software (2015)

Achieve CE Mark for European markets for APAS® instruments

Top Shareholders

bioMérieux (licence partner for PREVI® Isola)	8.5%
B Moran	5.6%
L H Guthrie (LBT CEO)	5.3%
R A Finder (LBT Chairman)	4.5%
Avanteos Investments Ltd (1)	4.4%
SA Pathology	4.1%
Avanteos Investments Ltd (2)	2.5%



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Key automation drivers

- Public health authorities & hospitals demanding greater efficiencies and lower-cost solutions
- Growing demand for testing as populations age
- Antibiotic resistance & emergence of superbugs
- Consolidation of laboratories & limited microbiologist numbers are propelling demand for automation in microbiology testing
- Up to 4 days to diagnose the cause of infection – need faster turnaround time

LBT has 2 breakthrough products in microbiology automation:

- ***PREVI® Isola provides automation of culture plate streaking***
 - ***APAS® is a breakthrough in automation of culture plate reading***
- ... and a third product in development, Woundvue™***



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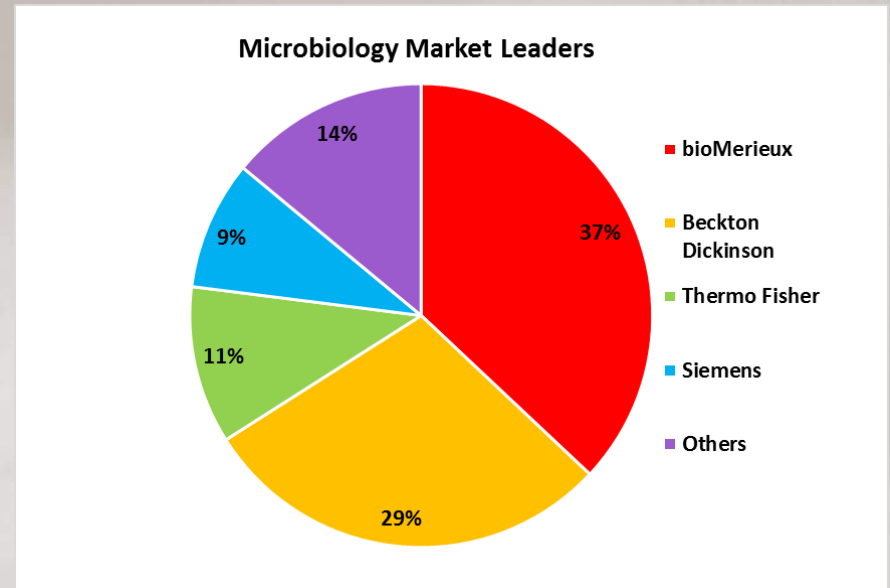
Microbiology laboratory market

Global microbiology market

- US\$8.5bn pa market: (2013) growing at CAGR 6.1%
- 10% instrument sales
- 90% reagents, leases & service
- 2.1 billion culture plates p.a.
- 3.3 billion microbiology tests p.a.

Microbiology leaders

- bioMérieux
- Becton Dickinson
- Thermo Fisher Scientific
- Siemens Healthcare / COPAN



“Global Markets for Microbiology Technology, Equipment and Consumables”
BCC Research 2014, company reports, LBT market research



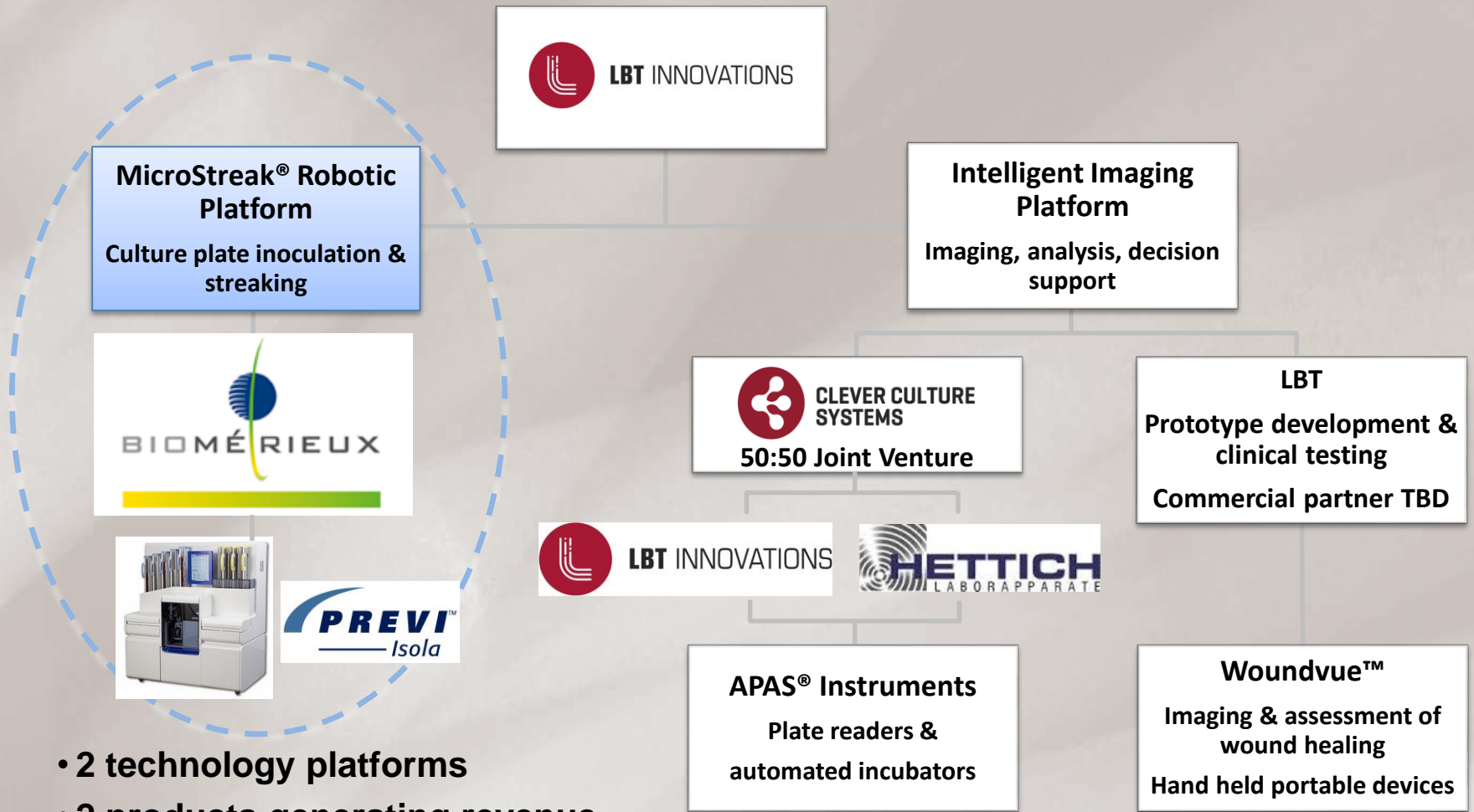
Microbiology target market

Laboratory Size	Plates Processed per Day	No. Labs Globally	PREVI® Isola	APAS® Plate Reader	APAS® Auto-incubator
Small	< 400	15,000	✓	✓	
Medium	400 – 1000	12,000	✓	✓	✓
Large	> 1,000	400	✓	✓	✓



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Operating structure: PREVI Isola® overview



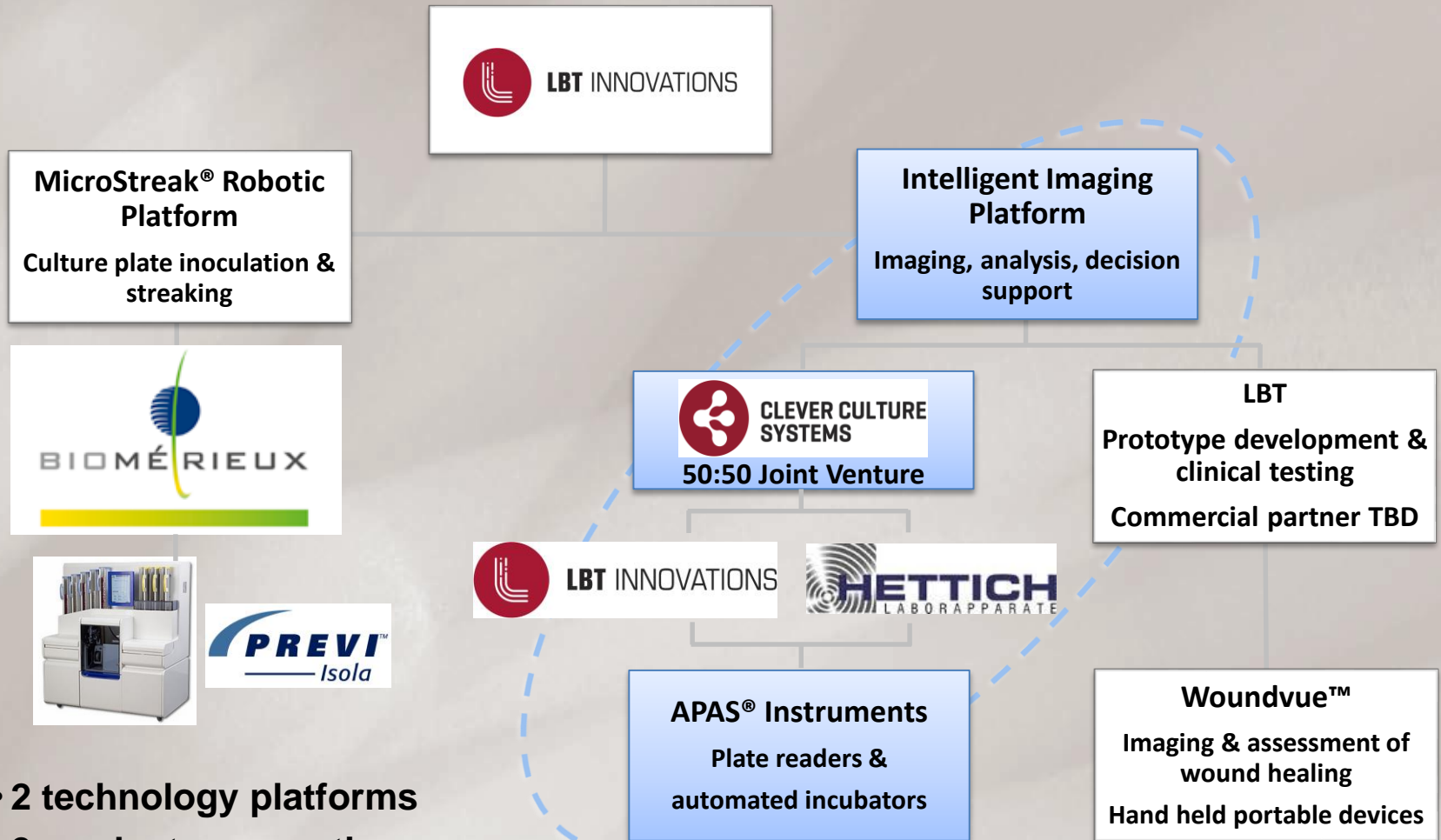
- 2 technology platforms
- 2 products generating revenue
- Product pipeline in R&D
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PREVI® Isola track record & revenue model

- PREVI® Isola – automated culture plate streaking – launched 2009
- bioMérieux manufactures & distributes PREVI® Isola instruments globally
- Worldwide exclusive licence
- Royalties paid to LBT for each streak per disposable applicator
- Licence agreement LBT revenue to Jun 2014: A\$12.7m:
 - Licence fees A\$10.1m + A\$2.6m royalties
- Recurring royalty stream to 2028:
 - Minimum royalty payment US\$0.6m pa
 - Current growth > 31% quarterly YOY in number of applicators used
 - Royalty agreement for review in Q4 2014 in line with agreement
- Outlook for royalty revenue is strong:
 - PREVI Isola as “gold pass” automated culture plate streaker
 - bioMérieux is global market leader in microbiology



Operating structure: APAS® overview



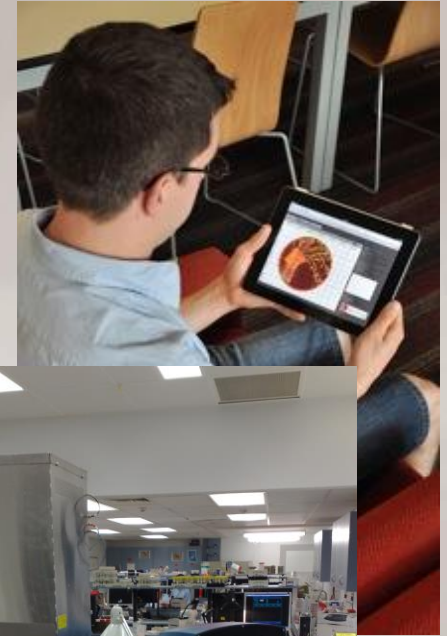
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APAS: Automated Plate Assessment System

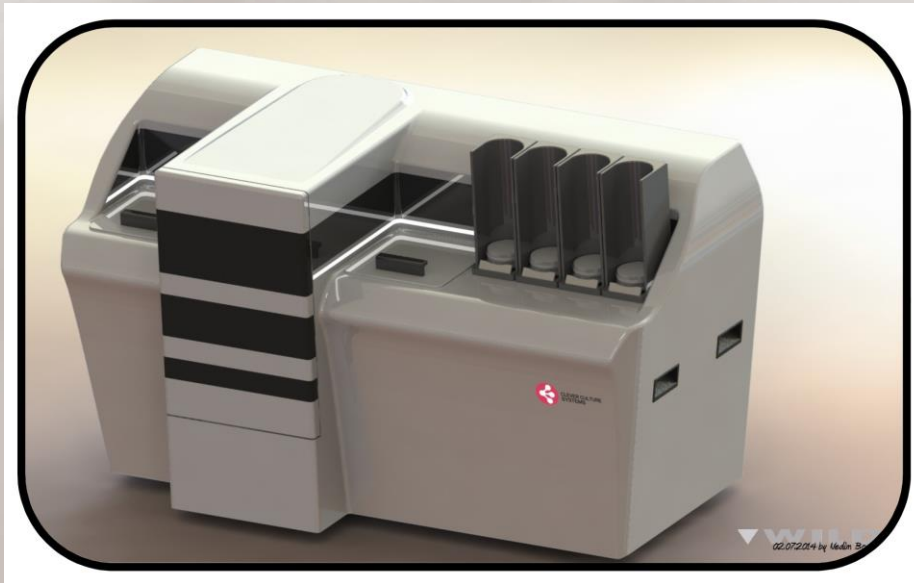
- Integrated automation solutions: auto plate readers and auto-incubators
- Digital image capture + analysis technology + decision support for automated intelligent reading, interpretation and sorting of culture plates
- Laboratory studies demonstrate that APAS® is at least as good as human readers (microbiologists) in routine plate screening
- Sorts clinically significant cases - removes non-significant plates from the workflow
- Allows microbiologists to report results sooner and doctors to treat patients faster
- Clinical trials underway at Healthscope labs in Australia; USA trial in Q1 2015



APAS instruments for market launch 2015/16



LBT's Joint Venture will deliver the proposed APAS® Auto-incubator (*right*) and APAS® Bench-top Plate Reader (*below*)



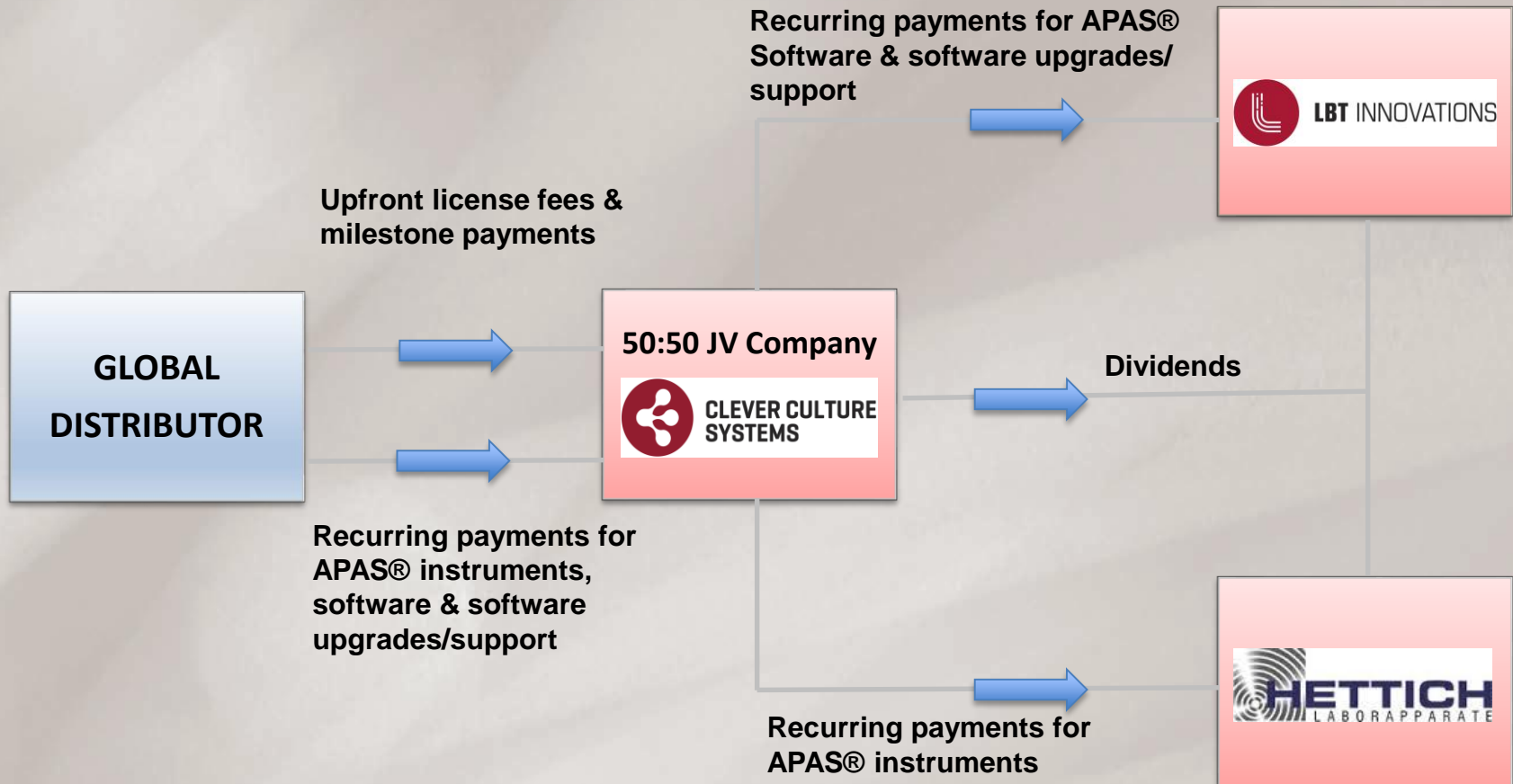
APAS® track record

APAS® – Automated Plate Assessment System:

- First product from LBT's Intelligent Imaging platform
- 2010-2012 R&D, APAS® application developed for microbiology testing
- 2013 established 50:50 JV company with Hettich AG Switzerland
- \$5m upfront & milestone payments over past 12 months
- \$1m further milestone payment due Q4 2014
- Australian clinical trials in progress at Healthscope laboratories
- USA trial in Q1 2015
- Discussions with major medical technology companies in progress for global distribution agreement
- APAS® instruments in development in Europe under the joint venture



APAS® forecast revenue & profit share



LBT revenue already received: \$2m in upfront & \$3m in milestone payments
Further \$1m milestone expected Q4 2014

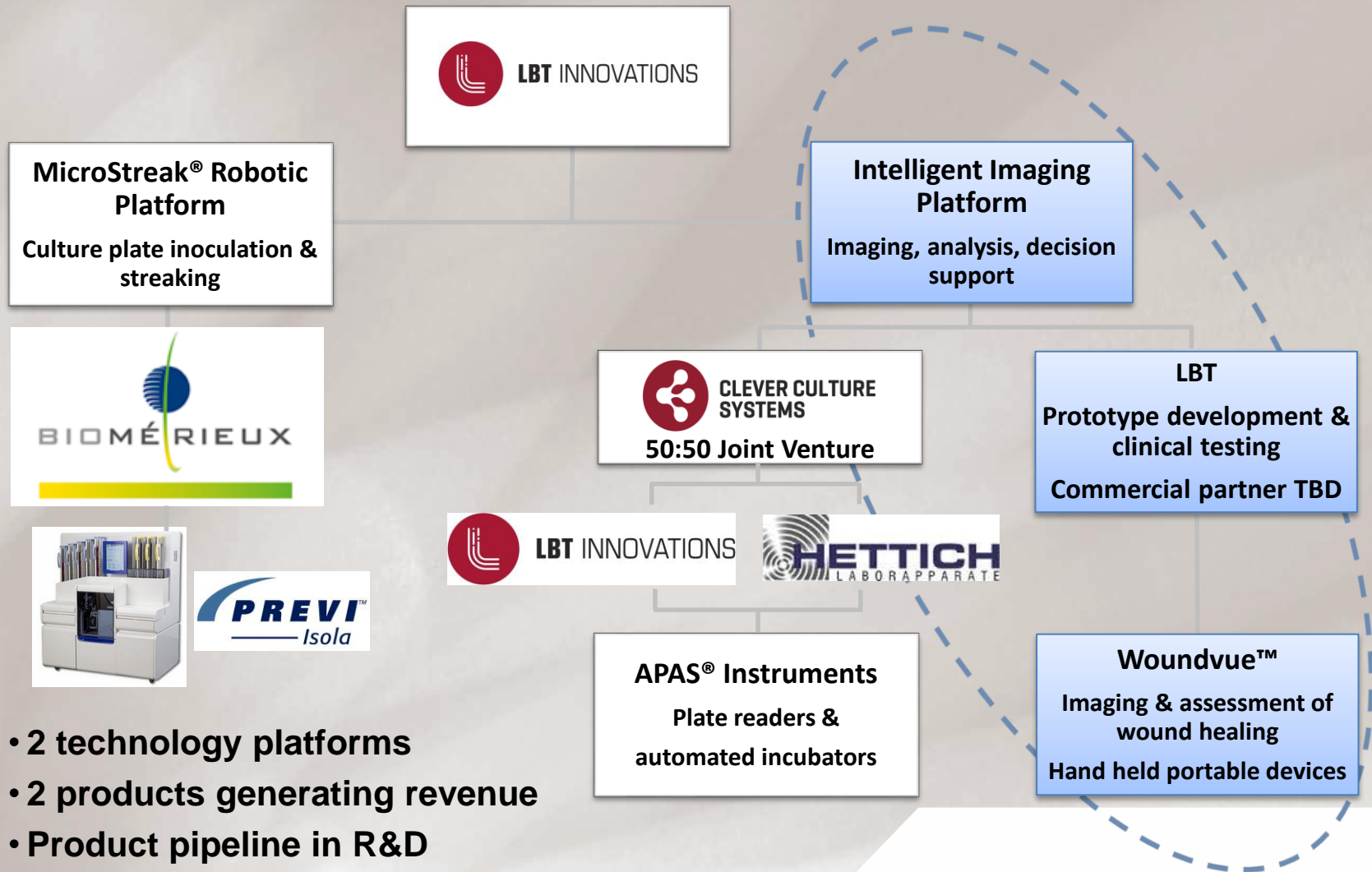


APAS® immediate priorities

1. Secure global distribution partner via JV Clever Culture Systems (CCS)
2. Undertake clinical trials:
 - Australian trials underway at Healthscope labs in Adelaide, Melbourne
 - USA trial in Q1 2015
 - Demonstrate in rigorous clinical trials that APAS® performance is at least equivalent to trained microbiologists in routine plate reading
3. Pursue regulatory filings:
 - Complete regulatory submission FDA 510(K) *de novo*
 - Achieve FDA approvals in 2015 for APAS® core technology
4. Develop & build APAS® Plate Readers & Automated Incubators (via JV)
5. Develop APAS® line extension products:
 - Currently in R&D via ARC Linkage grant



Operating structure: Woundvue™ overview



- 2 technology platforms
- 2 products generating revenue
- Product pipeline in R&D
- Established global partners

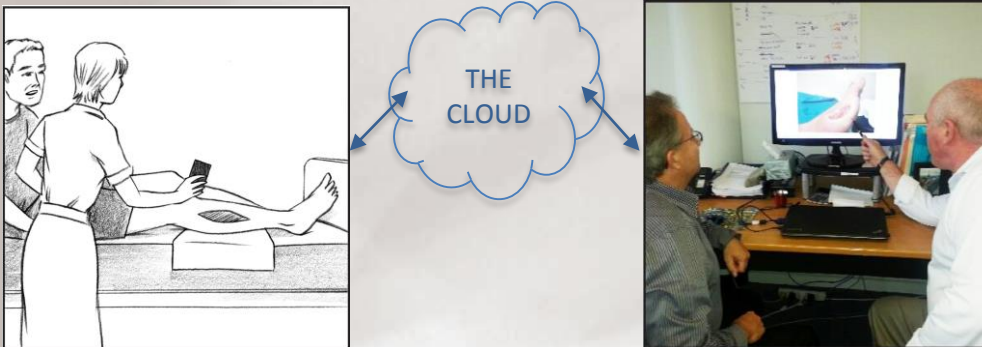


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Woundvue™ new initiative

Second product emerging from LBT's Intelligent Imaging platform:

- Focussed on fast-growing chronic wound market
- Image capture, analysis and interpretation to support treatment decisions
- Small, portable, hand-held imaging device with software embedded
- Configurable to institutional or organisational software infrastructure
- Integrated with existing health records
- Grant of \$250K from BioSA Bioscience Industry Development to initiate the development program



Wound care industry overview

Monitoring & assessment of chronic wounds is a large & growing need:

- >50 million wounds do not heal after 6 weeks
- Market growing with rise in obesity, diabetes & aging demographic
- Cost of treating chronic wounds > \$US60bn p.a. globally
- 10% decrease by faster diagnosis & monitoring, would save \$US6bn p.a.
- Current practices labour intensive, inefficient, imprecise
- No gold standard device for wound assessment
- Opportunity for innovation & automation



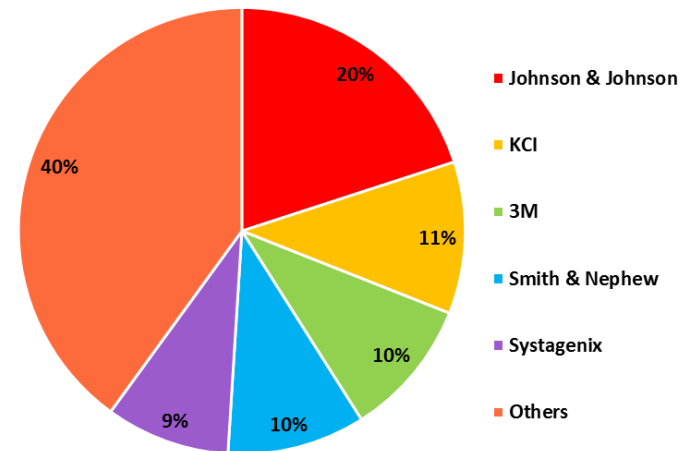
Wound care market

- US\$18 bn market: (2013) growing at CAGR 6%
- US\$12 bn conventional therapy e.g. bandages
- US\$6 bn advanced wound care includes
 - Negative pressure therapies
 - Biologics
 - Bioengineered skin

Wound market leaders

- Johnson & Johnson
- KCI (acquired Systagenix late 2013)
- 3M
- Smith and Nephew

Global Market shares in Wound Management Market, 2012



“Worldwide Wound Management 2008-2017” MedMarket Diligence 2013,
company reports, LBT market research



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Summary

PREVI® Isola

- Growing long-term royalty stream, benefitting from bioMérieux market leadership position and growth strategy

Intelligent Imaging platform – APAS®

- Next 3 months to Dec 2014
 - Lock in global distribution partner
 - Receive final \$1 million milestone payment from JV
 - Complete Australian clinical trials
 - Further discussion with FDA ahead of USA clinical trial

Intelligent Imaging platform – Woundvue™

- Initiate early development activities

After a period of technology development and product commercialisation, LBT Innovations is positioned for profitability and sustained growth, with recurring revenues to flow from PREVI® Isola & APAS®





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