



LBT INNOVATIONS

ASX code: LBT
lbtinnovations.com

CEO Presentation Annual General Meeting

Adelaide, Australia
21 October 2015
Lusia Guthrie, CEO

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.



Agenda

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- 2. Key Automation Drivers and Addressable Market**
- 3. LBT Operating Structure**
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Strategic overview

- LBT uses innovative technology – in particular our proprietary expertise in computer vision - to address inefficiencies in healthcare to improve patient outcomes
- First-in-class product innovations – driven by market-leading disruptive technology
- Driving improved patient outcomes and productivity improvements
- LBT's first products make microbiology laboratory dramatically more productive
- Next the company is also turning its attention to conditions managed in the home
- Aiming for sustainable market leadership

1. **MicroStreak®** Breakthrough automation of culture plate streaking
2. **APAS®** Breakthrough automation of culture plate reading & interpretation
3. **WoundVue®** Breakthrough technology for management of chronic wounds



Key automation drivers

- Demand for greater efficiencies + lower costs by public health authorities and hospitals
- Ageing population increases demand for testing and faster diagnosis
- Antibiotic resistance and emergence of superbugs
- Consolidation of laboratories and reducing microbiologist numbers
- No gold standard for diagnosis and management tools of chronic wounds



LBT addressable market

- ❖ Labour saving
- ❖ Gold standard products
- ❖ Faster, more secure diagnosis

1. Microbiology Laboratories

Relieve microbiologists of labour-intensive, time-consuming manual tasks

- PREVI® Isola Addresses labour efficiencies in culture plate streaking
- APAS® Addresses labour efficiencies in culture plate reading and sorting
Manual plate reading costs estimated at \$1.2 billion p.a. globally

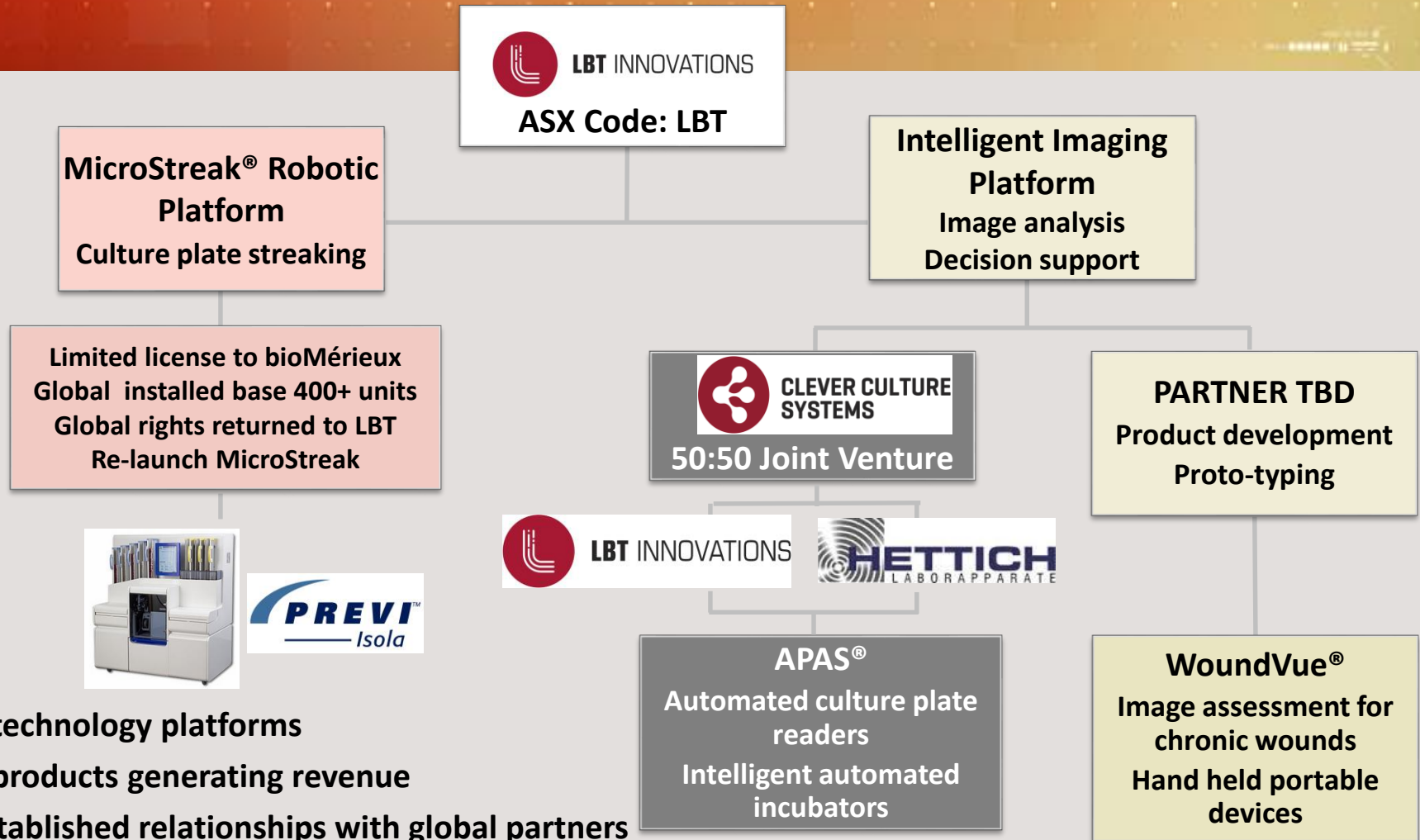
2. Community Nurses, Nursing Homes, Wound Clinics

Improved monitoring of chronic wounds for improved patient outcomes

- WoundVue™ Addressing labour efficiencies and consistency of diagnosis
Current practices labour intensive, inefficient
Cost of wounds \$60 bn p.a. globally on dressings, treatments



Operating structure



- ❑ 2 technology platforms
- ❑ 2 products generating revenue
- ❑ Established relationships with global partners
- ❑ Product pipeline in R&D to sustain innovative position

Investor summary 19 October 2015



Key Statistics

| | |
|---------------------------------|-----------------|
| Code | ASX:LBT |
| Listed | ASX 2006 |
| Current Price (19 October 2015) | 16.5 cents |
| 52 Week High | 20.0 cents |
| 52 Week Low | 5.0 cents |
| Shares Outstanding | 114.7 million |
| Market Cap | A\$18.9 million |
| Net Cash (30 September 2015) | A\$6.98 million |
| Directors, Senior Management | 14.3% |

Background

Cost-effective management since 2004 inception:

- 73% cash funding generated through operating cash flow
- 27% via equity;

2006 created MicroStreak® ;

- Launched 2009 as PREVI® Isola via bioMérieux

2010 created Intelligent Imaging platform, based on world class computer vision technology, applications in healthcare

2010-13 Automated Plate Assessment System (APAS®)

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

August 2015 WoundVue® US market research study

bioMérieux deal renegotiated to non-exclusive August 2015 with A\$7.9m paid to LBT, plus ability to relaunch globally

September 2015 APAS® US clinical trial results successful

Growing international reputation as innovator

Future Priorities

Commercialisation of APAS via CCS JV with Hettich

Investigate new market opportunities for MicroStreak®

Generating self funding recurring income streams via APAS

Top Shareholders

| | |
|--|------|
| bioMérieux (non-exclusive licensee PREVI® Isola) | 8.5% |
| B Moran & Morcap Pty Ltd | 6.6% |
| L H Guthrie (LBT CEO) | 5.3% |
| Avanteos Investments Ltd (1) & (2) combined | 5.0% |
| R A Finder (LBT Chairman) | 4.9% |
| SA Pathology (Combined holdings) | 4.1% |
| Carina Management (Brydon Family) | 3.2% |

Highlights 2014/15

Financial:

- ✓ \$3 million from ATO R&D Tax Incentive
- ✓ \$481,600 milestone payment from Hettich for APAS Australian trials
- ✓ \$250,000 innovation grant for WoundVue
- ✓ Notice of intent to terminate from bioMérieux
- ✓ New licence agreement with bioMérieux for non-exclusive limited access
- ✓ \$7.9 million from bioMérieux to settle new licence



Highlights 2014/15

Technology and Product:

- ✓ First US patent granted for APAS
- ✓ Notice of Allowance for second APAS US patent
- ✓ APAS clinical trial program:
 - Healthscope Pathology, Adelaide and Melbourne Australia
 - TriCore Reference Laboratories, Albuquerque USA
 - SydPath, St Vincent's Hospital, Sydney Australia
- ✓ Preparation of APAS 510(k) *de novo* submission for manual version APAS
- ✓ APAS Independence® instrument designed
- ✓ Wound care project initiated



Microbiology laboratory market

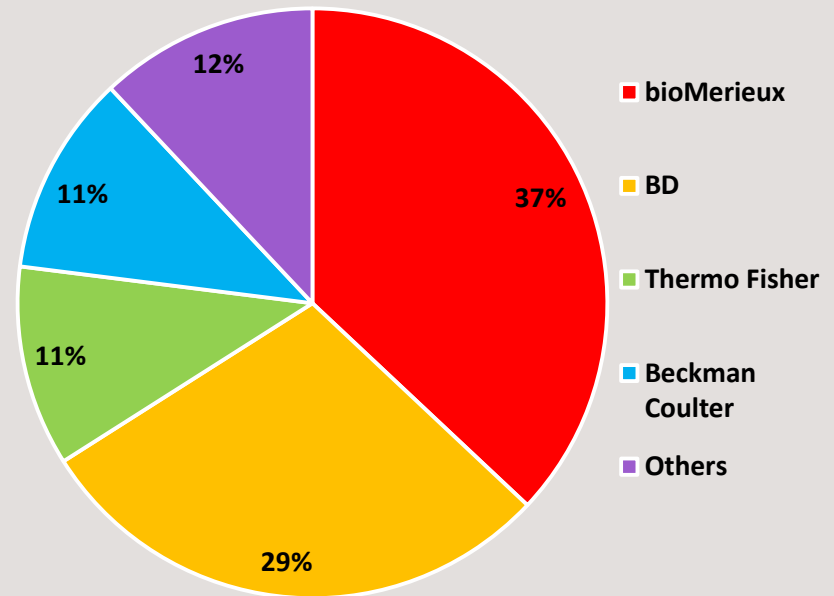
Global microbiology market

- 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
- BD
- Thermo Fisher Scientific
- Beckman Coulter

Microbiology Market Leaders



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

Microbiology target market for LBT products

| Laboratory Size | Plates Processed per Day | Number Laboratories Globally | PREVI® Isola | APAS® Plate Reader | APAS® Auto-incubator |
|-----------------|--------------------------|------------------------------|--------------|--------------------|----------------------|
| Small | < 400 | 15,000 | ✓ | ✓ | |
| Medium | 400 – 1000 | 12,000 | ✓ | ✓ | ✓ |
| Large | > 1,000 | 400 | ✓ | ✓ | ✓ |

Wound care market

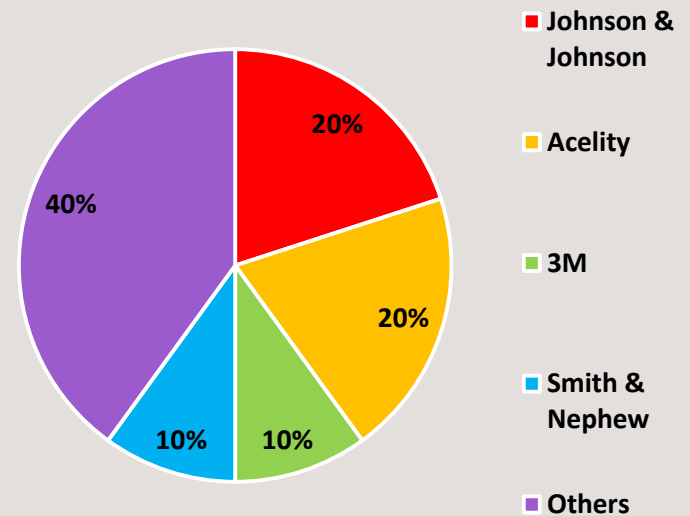
- US\$18 bn market: (2013) growing at CAGR 6%
- US\$12 bn conventional therapy e.g. bandages
- US\$6 bn advanced wound care includes
 - Negative pressure therapies
 - Biologics
 - Bioengineered skin

Wound market leaders

- Johnson & Johnson
- Acelity (Merged KCI, Systagenix and LifeCell)
- 3M
- Smith and Nephew

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

Global Market shares in Wound Management Market, 2012



Portfolio snapshot: MicroStreak®

MicroStreak when marketed exclusively, globally by bioMérieux:

- Launched in 2009 as PREVI® Isola
- New licence to bioMérieux in 2015:
 - Limited access, non-exclusive,
 - LBT able to re-license globally
- \$21.7 million overall revenues generated:
 - \$10.1 million for initial Licence and Upfronts
 - \$3.7 million in Royalties
 - A\$7.9million re-license fee



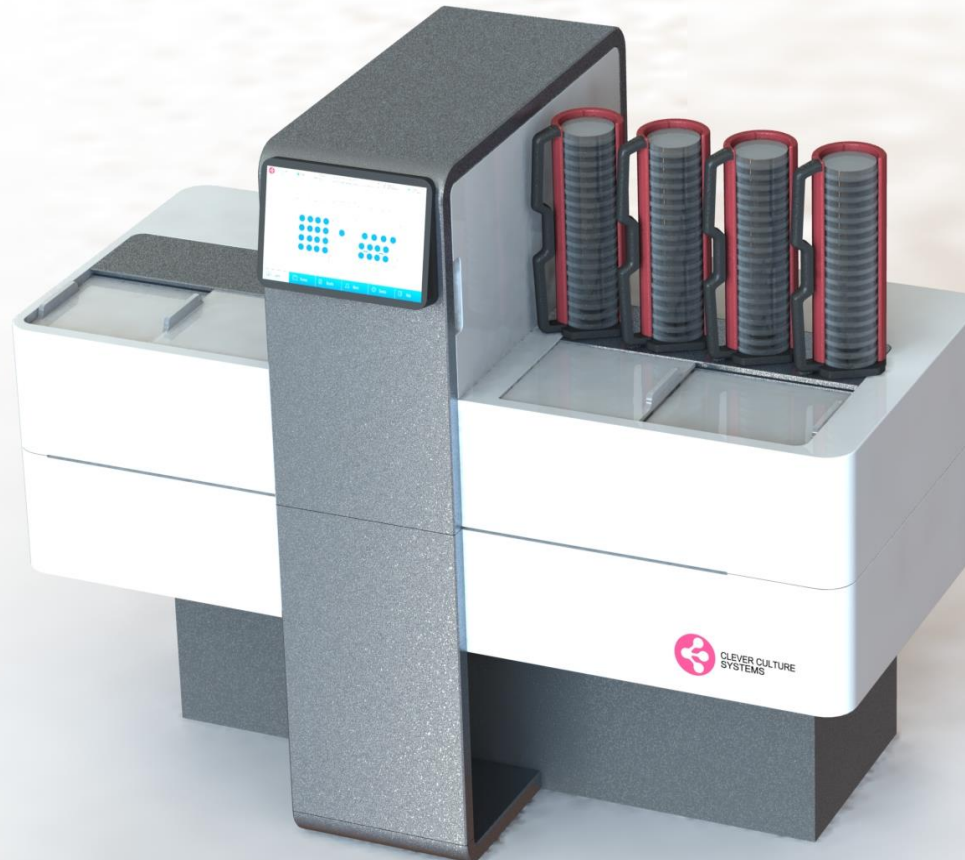
MicroStreak - future

MicroStreak® 2016 going forward:

- LBT has recovered full global rights to re-launch
- Re-license deal included bioMérieux improvements
- Manufacturing option possible via Invetech (produced over 40% of initial installed base)
- Considering re-design to better suit US and Asian markets
- Seeking marketing partner with strength in US and/or Asian markets
- Straight Sale option also under consideration



APAS Independence®



**CLEVER CULTURE
SYSTEMS**

APAS[®]: Automated Plate Assessment System

- Digital imaging + analysis technology + decision support for automated interpretation, reporting and sorting of culture plates
- Products: integrated automation solutions: culture plate readers; auto-incubators; automated reading and reporting of AST
- Clinical laboratory studies prove that APAS[®] is at least as good as human microbiology readers 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
- “First-in-Class” technology creating time, cost and quality benefits for end user laboratories



Portfolio snapshot: APAS®

- Clever Culture Systems AG is a 50:50 JV between LBT and Hettich Switzerland AG
- \$5.5 million upfront and milestone payments to date
- \$520,000 milestone payment due Q4 2015 linked to US 510(k) *de novo* filing
- APAS clinical trial programme completed:
 - 10,000 patients in Australia and USA
- US FDA 510(k) *de novo* filing key next step
- APAS instrument development program well advanced in Europe
- Identified line extension products will generate sustainable market position
- Expected to be ready for market launch in late 2016, triggering recurring income

Aimed at being first-in-class disruptive technology
Delivering a strong competitive advantage



APAS® immediate priorities

1. Secure product distribution via JV Clever Culture Systems (CCS)
2. Pursue regulatory filings:
 - Complete regulatory submission FDA 510(K) *de novo*
 - Achieve FDA clearance in early 2016 for APAS® core technology
 - Submit 510(k) supplement for APAS Independence equipment mid-2016
3. Commercial Manufacturing:
 - APAS Independence®
 - APAS Auto-Incubator
 - Line extension products



Wound care industry overview

Monitoring and assessment of chronic wounds is a large and growing problem:

- >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
- Chronic wounds cost the Australian healthcare system over \$2.85 billion annually
- 10% decrease by faster diagnosis & monitoring, would save \$US6bn p.a.
- Every three hours an Australian loses a lower limb due to diabetes related foot disease
 - Globally a limb is lost every 20 seconds
 - 50% of those patients will lose their lives within 5 years of the amputation
- Up to 70% of chronic leg ulcers will recur, in some patients, for 15 years or more



WoundVue® development

1. Proof-of-Principle completed mid-2015

- Technical viability confirmed – “APAS approach” works;
- Freedom-to-operate patent search; international market research

2. Concept Demonstration Prototype 2015/2016

- Prototype technology that embodies the required product features
- Trials with wound care nurses and clinics
- Informs the design of WoundVue device for end-user

3. Beta-prototype 2016/17

- Device design and build
- Commercial WoundVue software development
- Integration with medical records software

4. Transfer to Production

- Clinical validation testing and regulatory submissions
- Completion of regulatory dossiers for targeted markets
- Manufacture
- Marketing and Distribution



The year ahead

1. MicroStreak®

- Pursue strategies to relaunch “post-bioMérieux”
- Consider all avenues and opportunities

2. Intelligent Imaging platform – APAS®

- File US FDA 510(k) *de novo* submission for manual APAS
- Receive final \$0.5million milestone payment from JV
- Finalise distribution strategy
- Work up line extension products

3. Intelligent Imaging platform – WoundVue®

- Initiate next stage of prototype development
- Explore partnering options to aid funding for next phases and commercialisation

4. Receive \$1.8 million R&D Tax Incentive cash refund

5. Recruit new CEO – in place by end Q1 2016





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