



LBT INNOVATIONS

ASX code: LBT
lbtinnovations.com

CEO Presentation Annual General Meeting

Adelaide, Australia

16 November 2016

Brent Barnes, CEO and Managing Director

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.

CEO Opening Remarks

- Stepped in at an exciting phase for LBT;
- New CEO transition very positive;
- Huge respect for what Lusia Guthrie, the Board and Management team have created to date;
- This business geared to deliver long term growth.

Key Drivers for value to our shareholders

- Commercialisation of APAS[®] laboratory instruments (Independence and Incubot);
- Development of follow-on Product Lines;
- Realise additional value from the Intelligent Imaging Platform in the Healthcare arena;
- Extract additional value from MicroStreak[®] which has already more than paid its way.

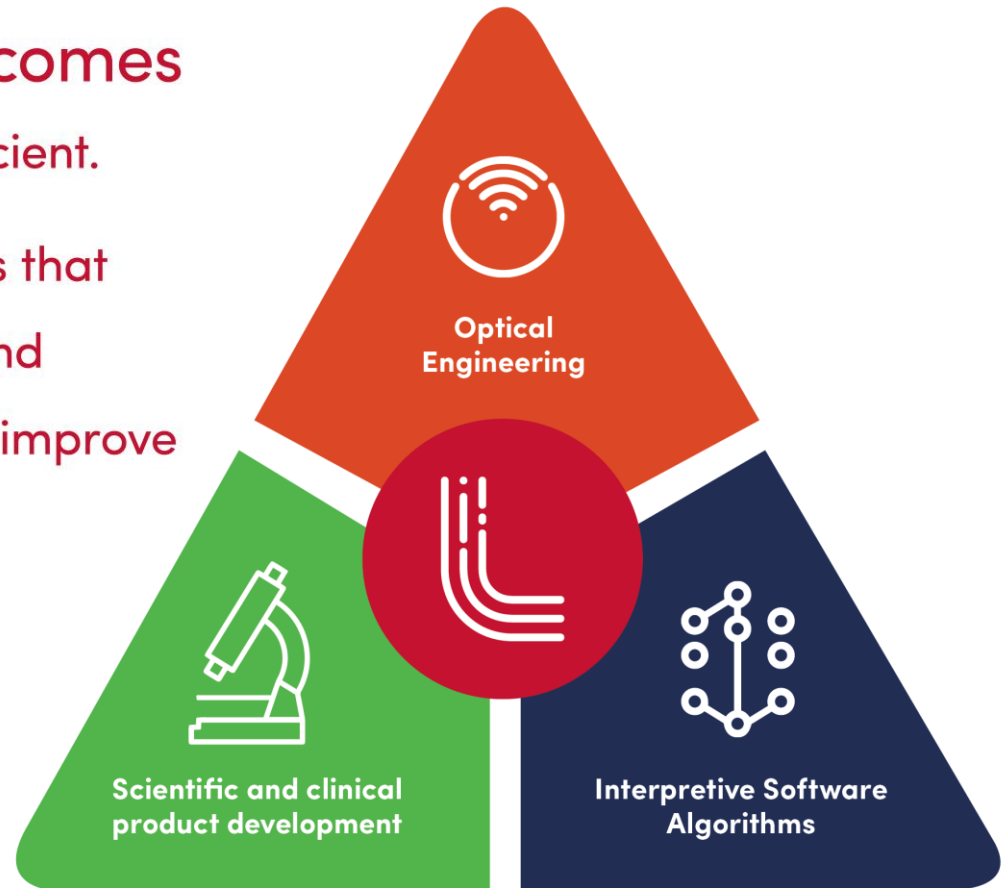
Aligning LBT Corporate Strategy to Business Execution



Our Purpose

LBT improve patient outcomes
by making healthcare more efficient.

We develop automated products that
use **intelligent imaging** and
interpretive software to improve
healthcare delivery.



Our Business – Building on our history

MicroStreak® - an automated microbiology system for streaking biological samples onto agar plates. MicroStreak® was licensed to the French diagnostics company bioMérieux who sold it internationally as PREVI® Isola. This exclusive license was renegotiated to non-exclusive in August 2015 and LBT is now searching for new potential partners.

Identified an unmet need and developed a product

Long Commercialisation Cycle
<Revenue Generation>

License or sale of technology

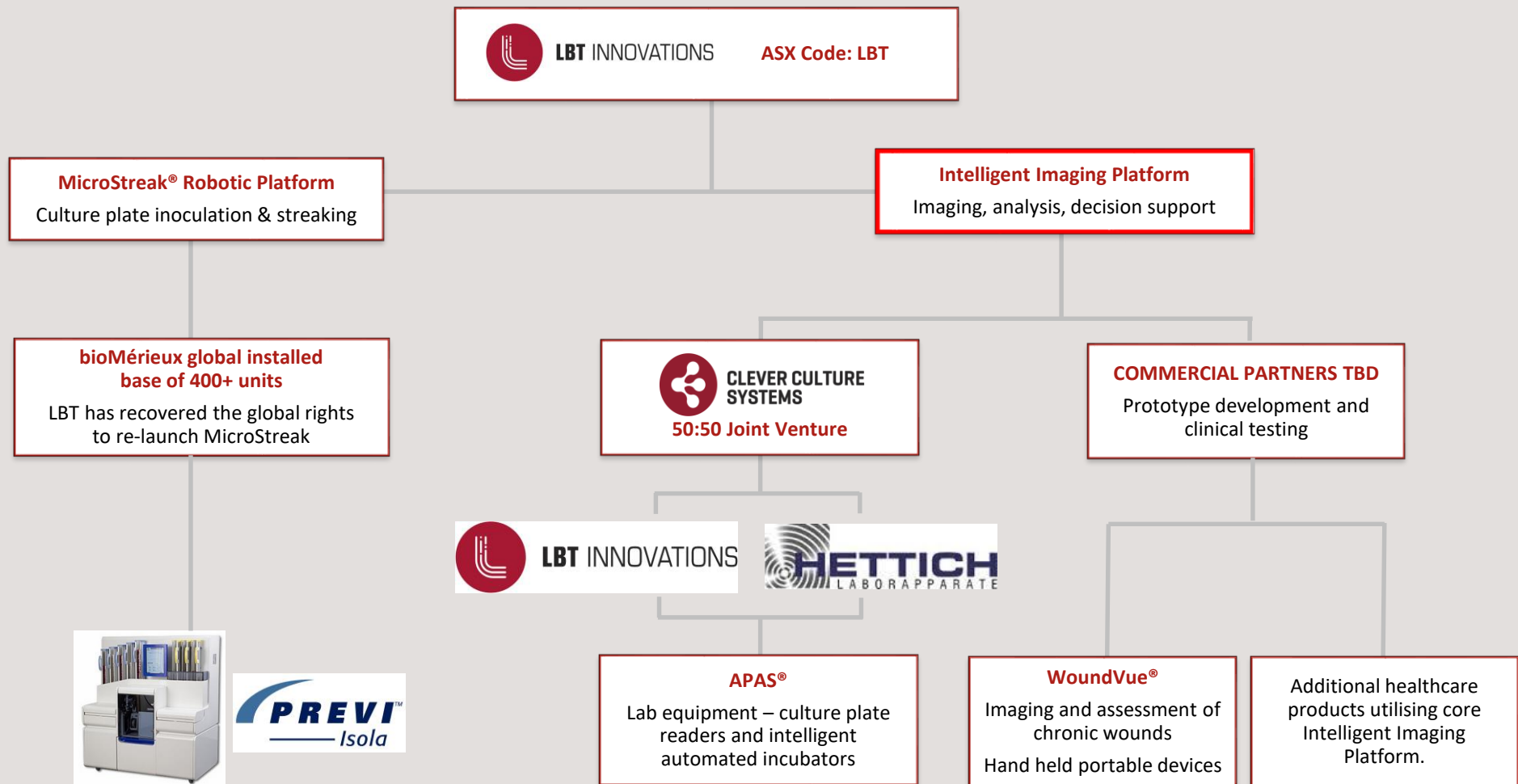


*Investing for **future technology pipeline***

Intelligent Imaging Platform

Development of Automated Plate Assessment System

Our Business Today and Future – Portfolio of Products



Key milestone 10th October 2016: US FDA Clearance for LBT's APAS® technology



ASX/MEDIA RELEASE

The Manager
Company Announcements Office
ASX Limited

US FDA GRANTS APPROVAL FOR LBT'S APAS®

- FDA clears APAS® imaging and software technology as a Class II medical device

ADELAIDE, Australia, 10th October, 2016: Clever Culture Systems AG (CCS), the Swiss based joint venture between Australian medical technology company LBT Innovations Limited (ASX: LBT) and Hettich AG (Switzerland) has received clearance of its 510(k) *de novo* submission to the US Food and Drug Administration (FDA) for APAS® as a Class II medical device.

APAS® (Automated Plate Assessment System) is a breakthrough artificial intelligence technology for the automated imaging, image analysis, interpretation and reporting of growth on microbiology culture plates after incubation. APAS® enables the faster diagnosis and reporting of infectious diseases.

Developed by LBT Innovations, APAS® has been licensed on a global, exclusive basis to CCS, which is integrating APAS with laboratory robotic instrumentation. CCS is targeting to bring APAS to market in 2017 as an automated stand-alone plate reader (APAS® Independence) followed by the integrated incubator (APAS® Incubot).

The 510(k) *de novo* submission used a manual version of APAS to test 10,000 patients in a series of clinical trials conducted in Australia and the US over a 12-month period. In each trial, APAS achieved its target primary endpoints and the results matched or exceeded the findings of a panel of experienced microbiologists.

Current Focus – Commercialisation of APAS®

Focus is on the completion of laboratory instruments integrated with APAS® .

APAS® Independence and **APAS® Incubot** are automated culture plate readers integrated with APAS® and plate handling robotics:

- Demonstrations at ECCMID, Vienna (April, 2017) and ASM, San Diego (June, 2017);
- Sales commence in 2017;
- LBT will produce the APAS® software plug-ins for the APAS® supply chain.

Joint Venture company Clever Culture Systems AG (CCS) is in discussions with international diagnostic companies to form a marketing and distribution alliance.

Early stage development now underway for further APAS® line extensions for the clinical microbiology culture plate work flow.

APAS® Independence first sales in 2017



Microbiology Culture Plate Process Flow

Process Steps for Culture Plate Flow

Culture Plate
Streaking

Incubate

Plate
Reading

Identification &
antibiotic
sensitivity testing

Products that
automate
manual steps

APAS®
Independence

1

APAS® Incubot

2

Potential APAS® Line Extensions
Timing dependent on product prioritisation

3

Revenue Model: APAS® Joint Venture Structure

1. Recurring software revenue



2. APAS® Product Line



3. Upgrades & Support



**Global or
Regional
Distribution
Partner(s)**



**Joint Venture
50/50**



**Develop and
Support Software**

**Share of CCS JV
profitability**



Product Manufacturing

LBT future revenue streams from share of supply of annual software income plus share of profitability of CCS including any license fees.

APAS® Product Line Overview -

Primary competitive advantage through **Intelligent Imaging**



APAS® Independence prototype – demonstrated at conferences:

European Congress of Clinical Microbiology and Infectious Diseases, April 2016

American Society of Microbiology, June 2016

Features

- At least **3 times** more efficient than manual plate reading;
- Expect to be **first to market** with Intelligent Imaging;
- Modular design easily integrated into culture plate work flow;
- More affordable stepwise entry into Lab automation.

Opportunity

- APAS® targets small, medium and large laboratories;
- Modular approach.

Target Market

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

APAS® brings a new level of **Intelligence into microbiology automation via culture plate **reading** and **interpretation**. **FDA Approved, First in Class.****



Building and Maintaining a Valuable IP Portfolio

LBT maintains an IP portfolio across its core technologies of MicroStreak® and APAS®, Supporting Tools, Instrument Designs, and Trademarks presently containing:

- 61 patents and patent applications;
- 21 design registrations; and
- 72 trade mark registrations and applications.

Activity over the past 15 months:

- Patents granted– APAS®: 5
- New patent applications filed– APAS®: 2
- Designs registered: 2
- Trade Marks registered: 6

Other Key Areas of Focus

Intelligent Imaging Platform – WoundVue®

- Hand-held, operator-friendly device designed for analysing and tracking the treatment of chronic wounds. Product progressing through research development following market survey.
- WoundVue® will not only help doctors and nurses to accurately diagnose wounds based on their patient's health status, but also to closely track the healing process and revise their treatment regimens accordingly.

Intelligent Imaging Platform – New product Streams

- Several other Healthcare product opportunities being evaluated to utilise LBT's core technology.

MicroStreak®

- In discussions with several companies on the licensing or outright sale of this technology.

Anticipated news flow 2016 - 2017

Date	Category	News details
2016	JV CCS	Discussions continue with global partner(s). Increased interest post FDA Clearance. Timing of Letter Of Intent to be decided.
	Imaging Platform	Evaluation of further clinical applications for product pipeline
2017	JV CCS	Signing of alliance/distribution agreement with global partner(s) for APAS®
	JV CCS	Market acceptance testing of APAS® lab instruments
	JV CCS	APAS® Product demonstrators at European Congress of Clinical Microbiology and Infectious Diseases in Austria and American Society of Microbiology in USA.
	Joint Venture CCS	APAS® Independence first commercial sale by global alliance partner
	MicroStreak®	Signing of license or sale agreement with new partner(s)
	Imaging Platform	WoundVue® prototype complete and new phase decision point.
	Imaging Platform	Market analysis of applicable future product pipeline



Financials – Year Ended June 2016

<u>Profit & Loss</u>	Year Ending June 15 \$'000	Year Ending June 16 \$'000
Revenue	\$ 2,367	\$ 7,726
Including License Fees, Upfronts & Milestones	\$ 1,000	\$ -
MicroStreak license fee renegotiation	\$ -	\$ 7,519
Net Profit/(Loss) before tax	-\$ 336	\$ 4,120
Net Profit/(Loss) after tax	\$ 549	\$ 3,541
Basic EPS (cents)	0.28	3.08
<u>Balance Sheet</u>		
Cash Position	\$ 1,818	\$ 4,684
Accounts Receivable	\$ 838	\$ 525
R&D tax concession receivable	\$ 1,825	\$ 1,331
Intangible assets MicroStreak & APAS		
Development Costs	\$ 16,868	\$ 20,583

Key Driver in 2015/16

Renegotiation of MicroStreak® license with bioMérieux A\$7.5 million.

Future Direction

- Building recurring product revenue stream via APAS® and its line extensions;
- Relicense or sale of MicroStreak®;
- New product direction building off Intelligent Imaging Platform.

September Quarterly 2016 Appendix 4C

- Cash at end of September 2016 \$2.34 million;
- R&D tax claim submitted with a refund estimated at \$1.1m;
- Options exercised in October has raised an additional \$0.45m cash.



LBT Investor Summary November 2016



Key Statistics

Code	ASX:LBT
Listed	ASX 2006
Current Price (14 November 2016)	51.5 cents
52 Week High (14 November 2016)	1.085 cents
52 Week Low (14 November 2016)	9.5 cents
Shares Outstanding (14 November 2016)	117.39 million
Market Cap (14 November 2016)	A\$60.46 million
Net Cash (30 September 2016)	\$2.34 million
Directors and Senior Management (14 November 2016)	10.0%



- Significant new levels of interest in LBT due to FDA Clearance for APAS®;
- High liquidity;
- Key regulatory step toward APAS® commercialisation has been achieved
- Incubator stock transitioning into becoming a growth stock.



LBT INNOVATIONS

Brent Barnes

CEO & Managing Director

Level 1, 300 Flinders Street
Adelaide SA 5000

P +61 (0)8 8227 1555

F +61 (0)8 8223 1775

info@lbtinnovations.com

lbtinnovations.com