



LBT INNOVATIONS

ASX code: LBT
lbtinnovations.com

CEO Presentation Annual General Meeting

Adelaide, Australia

29 November 2017

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

Last 12 months (Nov-16 to Nov-17)

- Raised capital to ensure critical milestones could be achieved
- Clever Culture Systems showcased the first functional APAS® Independence instrument at major global conferences, starting in April 2017
- Global first laboratory evaluation of APAS® Independence at St Vincent's Hospital in Melbourne, Australia. Validates utility and efficiencies of the instrument in a clinical setting
- Built internal capability to deliver milestones, while creating bench strength for the future (7 new employee's, 3 appointments to management team, 2 new Non Executive Directors and new Chair)

Strategic Future

- At a positive inflection point, building on the success of the past 11 years
- Created a artificial intelligence platform technology applicable across multiple healthcare applications
- Entering phase of reoccurring sales of APAS® Independence with strategic plans to have multiple products and multiple revenue over coming 5 years

Executive Summary – current focus

LBT	Improves patient outcomes by making healthcare more effective
Technology	Patented artificial intelligence platform using intelligent imaging and machine learning to automate manual processes in healthcare.
Product	Automated Plate Assessment System (APAS®) which automatically screens and interprets microbiological growth on an agar plate Sells for ~US\$300,000 plus annual software fees of ~US\$30,000
Status	FDA cleared after 10,000 patient clinical study Addressable market of 13,000 labs globally 1 st instrument installed at St. Vincent's Hospital, Melbourne (Sep-17)
Pipeline	APAS Extensions WoundVue® prototype, automating measurement and analysis of chronic wounds.
Outcome	Selling process started in Australia



APAS® Independence

Automated Plate Assessment System (APAS®) - a platform technology for the automation of culture plate **screening** and **interpretation**, currently being launched by Clever Culture Systems AG, a joint venture between LBT Innovations and Hettich Holding Beteiligungs- und Verwaltungs-GmbH (“Hettich”).

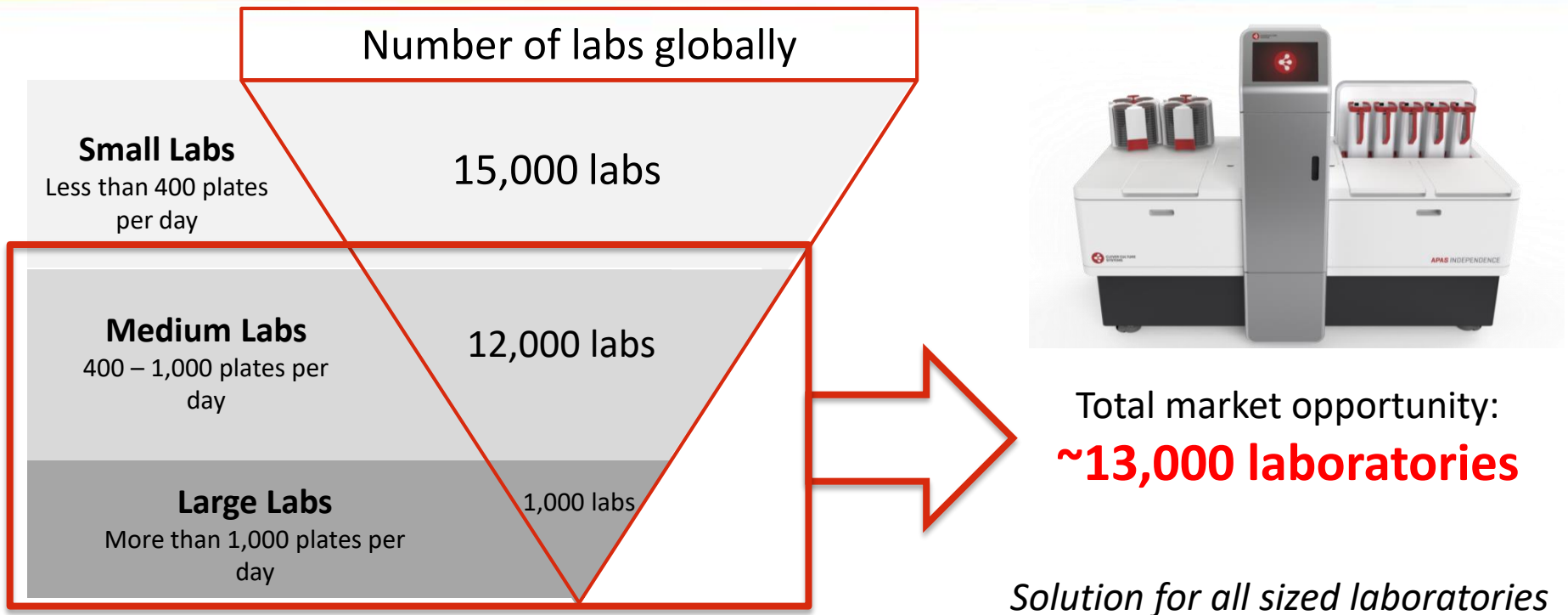
APAS® uses **intelligent imaging** and **machine learning** technology to **read** and **interpret** the presence of bacteria in culture plates.



Features

- At least **3 times** more efficient than manual plate reading;
- First and only (to date) intelligent imaging **cleared by FDA**;
- Hence, only system able to be used in the US;
- **First to market** with intelligent imaging device;
- **Modular design** easily integrated into culture plate work flow;
- More **affordable** stepwise entry into lab automation.

Global Market Opportunity – APAS® Independence



APAS® Independence:

- First and only **artificial intelligence** technology in microbiology to be cleared by FDA
- At least 3 times faster than manual process
- Stand-alone instrument; fast, flexible and affordable

Revenue & Margin

End Customer Pricing



Instrument once off purchase price:

~USD\$300,000

Annual Software License:



~USD\$20K - \$40K

Annual accessories:



~USD\$1K - \$2K

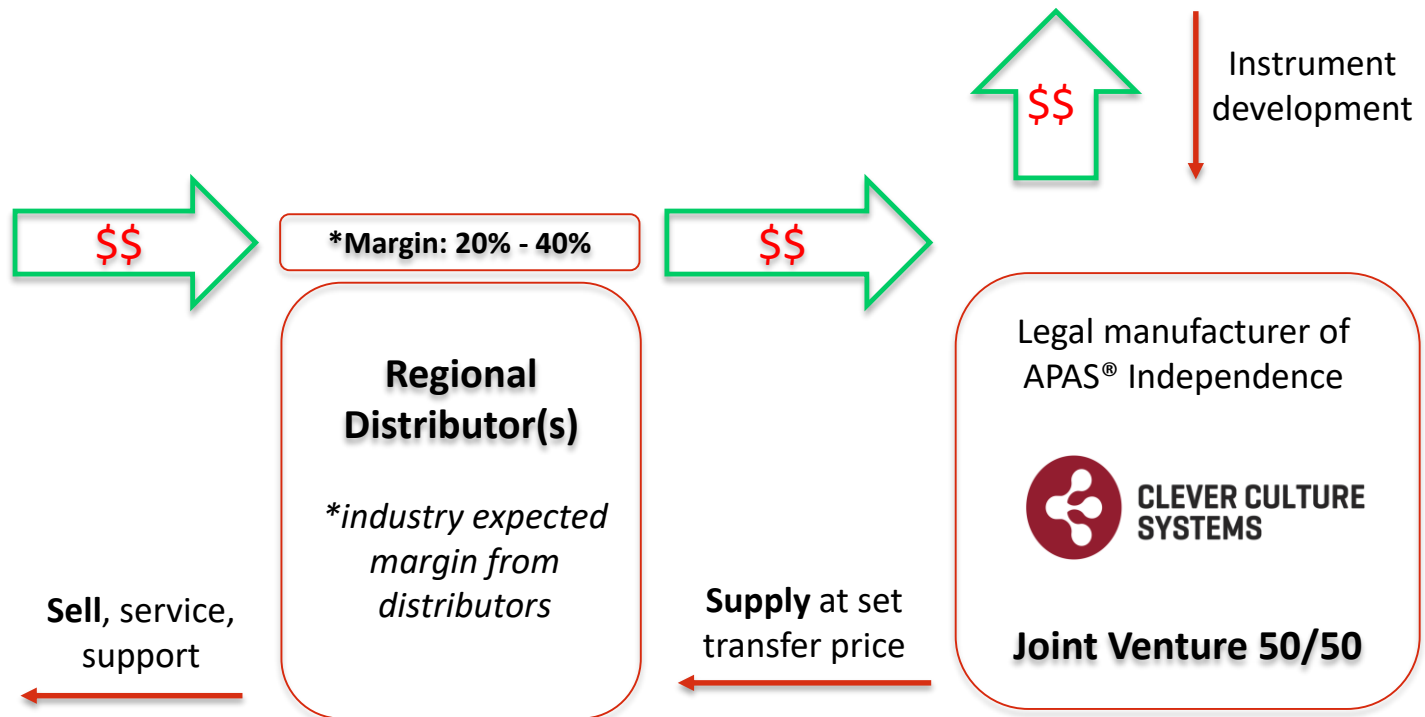
50/50 Owners of JV



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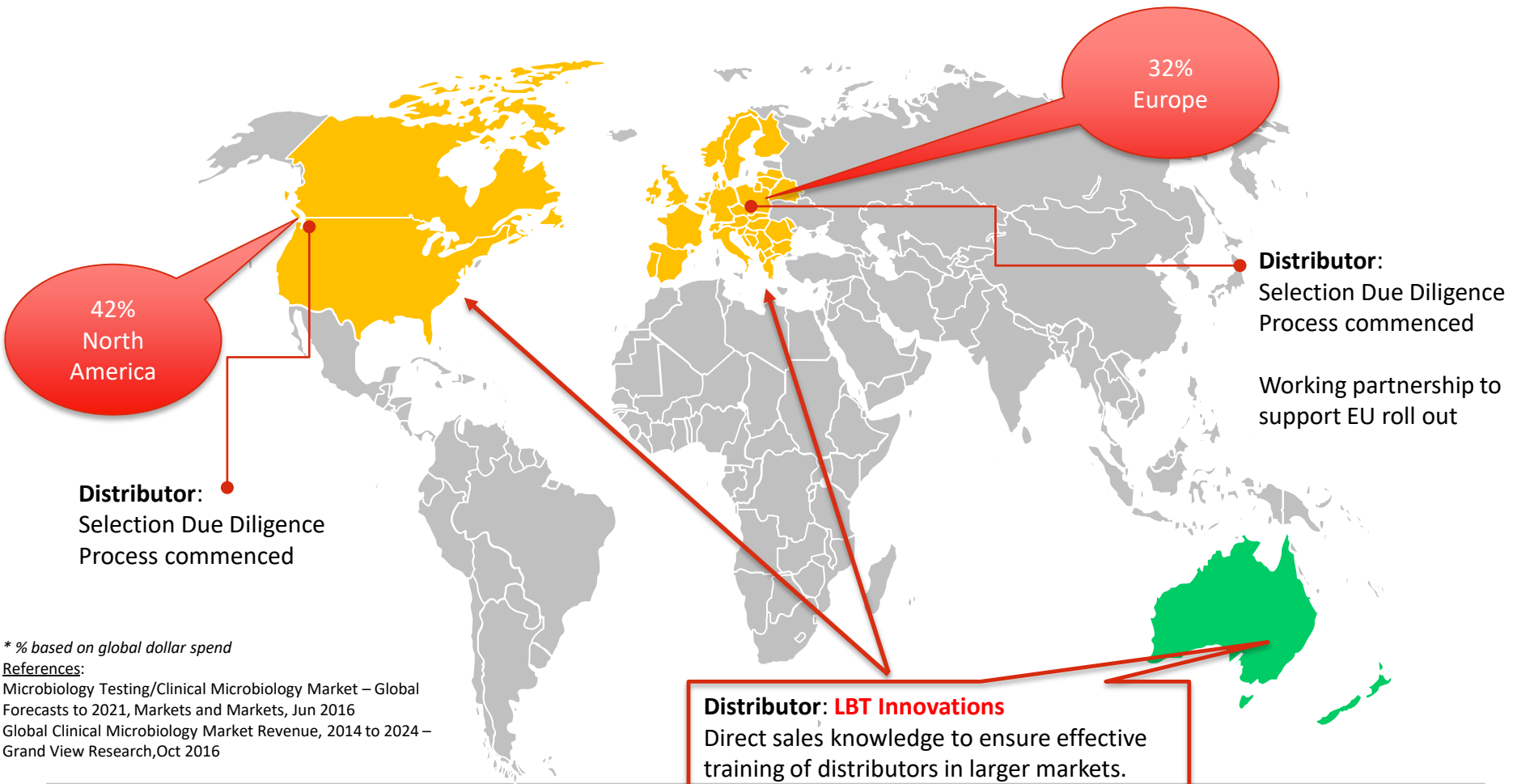
Profits and costs shared



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Clearly defined distribution objectives

Global reach through allocation of the right strategic distribution partner(s)



* % based on global dollar spend

References:

Microbiology Testing/Clinical Microbiology Market – Global Forecasts to 2021, Markets and Markets, Jun 2016
Global Clinical Microbiology Market Revenue, 2014 to 2024 – Grand View Research, Oct 2016

Centre of excellence laboratory confirms automation efficiency in busy real-life setting

- Completed independent evaluation of APAS® Independence at St Vincent's Hospital in Melbourne
- Successfully achieved evaluation performance targets with laboratory efficiencies realised
- Evaluation of over 3000 urine samples, automatically read and interpreted by APAS® Independence
- Confirms utility and efficiencies in a clinical setting
- Generated interest from other laboratories in Australia
- Expect additional laboratory evaluations to commence in Australia and Europe in Q1 CY18

Feedback summary:

- The instrument works and performance targets were successfully met
- Laboratory efficiencies were observed
- Installation was easy with no special requirements as the instrument is simply wheeled into a lab and plugged in
- High level of user engagement
- User interface intuitive and easy to use.



Channel 7 Melbourne, Sunday 8th October 2017
<https://www.facebook.com/7NewsMelbourne/videos/10155915549244301/>

Sales forecast case study: MALDI-TOF

Matrix assisted laser desorption/ionisation time of flight mass spectrometry (MALDI-TOF MS) provides microorganism identification results in minutes versus hours for phenotypic methods. Such rapid identification is by detecting and analysing the organism's proteomic fingerprint. Two instruments dominate the market.

- Bruker Biotyper
- bioMérieux Vitek MS
- Average selling price US\$250K

- 2004 First MALDI-TOF installed
- 2007 Bruker release Biotyper
- 2011 bioMérieux release Vitek MS
- 2013 1st FDA clearance



2004 – 2013:
800 units placed globally

- 2013 – 2015: 700 units sold in the US following FDA clearance



Bruker Biotyper

TOTAL SALES 2004 – 2015: 1500 UNITS GLOBALLY

LBT research

- * Clinical Laboratory Products Magazine February 4, 2015
- * http://www.ecmm.eu/files/Prof._Alex_van_Belkum_MALDI_India.pdf

Sales forecast case study: bioMérieux PREVI Isola

Developed by LBT Innovations

Launched 2008 by bioMérieux

List price \$185K

- 2008 – 2015: ~450 – 500
- US market was not a focus (predominately Europe and China)

TOTAL SALES 2008 – 2015: 450-500 UNITS GLOBALLY

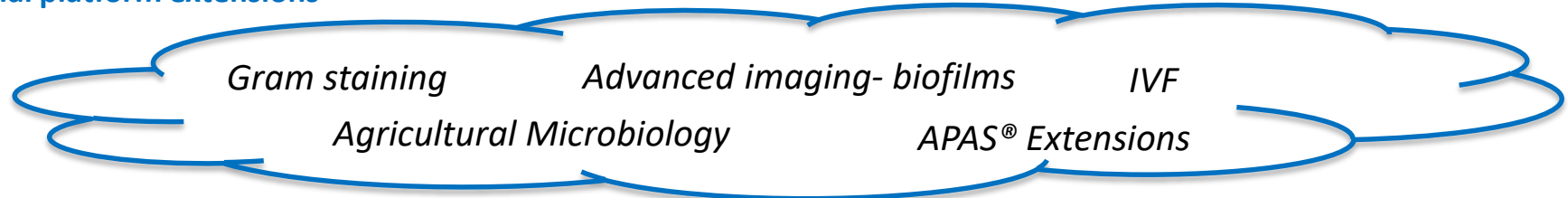
LBT research

* Anthony Croxatto, ECCMID Barcelona 2014, Automation in Bacteriology

* Clin Microbiol Infect. 2016 Mar;22(3):217-35. **Laboratory automation in clinical bacteriology: what system to choose?** Croxatto A et.al.

LBT – a platform technology in artificial intelligence (AI)

Potential platform extensions



Current technology horizon

Pipeline technology extension

Delivered Capability

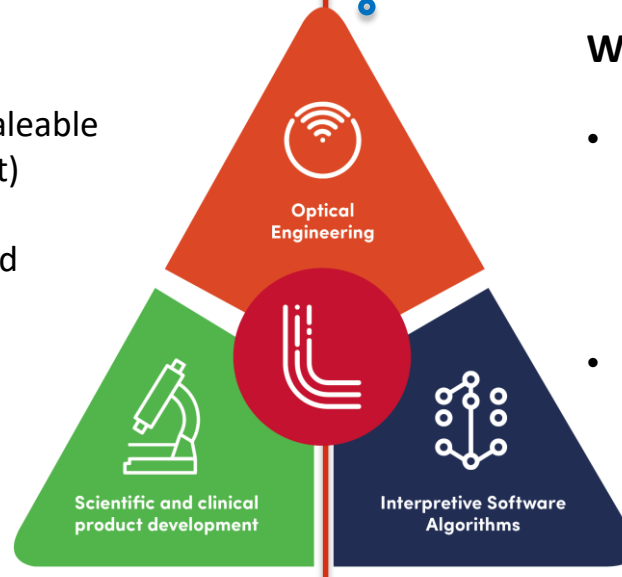
APAS®:

- Core technology incorporated into saleable product in 2017 (5 year development)
- 10,000 patient clinical trial completed
- Only FDA Cleared AI technology in Microbiology
- Continued machine learning development to expand analysis modules

In Development

WoundVue®:

- Automatically captures critical wound measurements: surface area, volume (reconstructing a 3D image of wound), constituent tissue types
- Interpretive algorithms based on core FDA cleared technology
- Prototype device being used to capture wounds for machine learning



Platform Technology: Patent Protected, FDA Cleared, proven technology



Financials - cashflow

Cashflow forecast for the December Qtr	
Appendix 4C (ASX: 31/10/17)	
	AUD\$ millions
Actual cash position at 30/9/17	2.47
Total gross outflows	(7.80)
less reimbursed expenses from JV	2.37
LBT outflows net of reimbursements	(5.43)
R&D tax refund	4.22
Placement to Autobio (ASX 27/10/17)	2.00
	3.26

- Outflows higher in Dec-17 quarter due to project costs of \$3.1m
- Do not expect total cash outflows to be in excess of the Appendix 4C estimate
- Reviewing a number of alternatives to raise funds to support the Company through the expected period of sales growth

ASX:LBT Share price volatility – commentary



- FDA clearance introduced volatility in stock, positive & negative implications
- Sustainable doubling of market post FDA clearance
- Capital raising accelerated business milestones. Double the number of ASX announcements on progress over past year
- Delivered on technology & engineering schedule to commence commercialisation & sales in 2018

Underlying business achieving milestones

2017	Category	News details	
Q1	Financial	Successful completion of \$7 million placement to accelerate APAS® technology development and launch.	✓
	APAS® / CCS	APAS® Independence usability trial.	✓
	APAS® / CCS	Build fully functioning APAS® Independence device and APAS® Incubot Design Prototype for trade shows.	✓
	WoundVue®	Complete market assessment of technology.	✓
Q2	APAS® / CCS	Key Launch: APAS® product demonstrators displayed at European Congress of Clinical Microbiology and Infectious Diseases (Vienna, 22-25 Apr).	✓
	APAS® / CCS	Key Launch: APAS® product demonstrators displayed at American Society Microbiology Conference (New Orleans, 1-5 June).	✓
	APAS® / CCS	CE Marking of APAS® for European Conformity	✓
	WoundVue®	WoundVue® prototype study complete.	✓
Q3	APAS® / CCS	Signing of alliance/distribution agreement with global partner(s) for APAS®.	✓
	APAS® / CCS	APAS® Independence first global trial, St Vincent's Hospital, Melbourne	✓
	APAS® / CCS	Cost utility and quality studies conducted in key opinion leader laboratories.	✓
	MicroStreak®	Signing of license or sale agreement with new partner(s).	✓
	WoundVue®	WoundVue® reference partner selected.	✓

Timeline and milestones (*calendar year*)

Delivered on technology and instrument development

Commence sales, customer awareness, publications, global presence

CY 2017

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	APAS® / CCS	CE Marking of APAS® for European Conformity
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	MicroStreak®	Signing of license or sale agreement with new partner(s).
	WoundVue®	WoundVue® reference partner selected.
Q4	APAS® / CCS	CE Marking for APAS® Independence instrument
	APAS® / CCS	St Vincent's APAS® evaluation preliminary results published
	APAS® / CCS	Sales process commenced in Australia for APAS® Independence
	APAS® / CCS	APAS® Independence device ships to fulfil open orders by global alliance/distribution partner(s).
	MicroStreak®	\$2 million placement with Autobio completed

CY 2018

Category	News details
APAS® / CCS	Extend APAS® analysis modules to deliver increased specimen types for expanded use
APAS® / CCS	Sales of APAS® Independence: Australia & New Zealand
APAS® / CCS	Sales of APAS® Independence: targeted European countries
APAS® / CCS	Sales of APAS® Independence: US
APAS® / CCS	Signing of alliance/distribution agreement with global partner(s) for APAS®.
APAS® / CCS	CCS booth and demonstration of APAS® products at European Congress of Clinical Microbiology and Infectious Diseases (Madrid 21-24 Apr).
APAS® / CCS	CCS booth and demonstration of APAS® product at American Society Microbiology Conference (Atlanta, 7-11 June).
APAS® / CCS	FDA 510(k) Supplement cleared for APAS® Independence
APAS® / CCS	CE Marking for APAS® Independence instrument
WoundVue®	Market research on business model completed
WoundVue®	RAH 6 month review of image processing



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