

PRESENTATION AT 14TH BIOSHARES BIOTECH SUMMIT

Australia's leading biotech investment summit held in Queenstown, 27-28 July 2018

Adelaide, Australia, 27 July 2018: LBT Innovations Limited (ASX: LBT) (**LBT** or the **Company**), a leader in medical technology automation using artificial intelligence is pleased to announce that Brent Barnes, CEO and Managing Director will be presenting at the 14th Bioshares Biotech Summit 2018 (**Bioshares Summit**).

The Bioshares Summit will take place in Queenstown, New Zealand from 27 to 28 July 2018. The Bioshares Summit is hosted by Bioshares, Australia's leading independent biotech investment publication and attended by approximately 180 delegates including leading biotech executives, fund managers and investors.

The Company's Presentation for the session is attached.

– ENDS –

About LBT Innovations

LBT Innovations Limited (**LBT**) improves patient outcomes by making healthcare more efficient. Based in Adelaide, South Australia, the Company has two world class-leading products in microbiology automation: MicroStreak®, which provides automated culture plate streaking and Automated Plate Assessment System (**APAS**®). Based on LBT's intelligent imaging and interpretative software, US FDA-cleared APAS® automates imaging, analysis and interpretation of culture plates following incubation. LBT has entered into a joint venture Clever Culture Systems AG (**CCS**) with Hettich Holding Beteiligungs- und Verwaltungs-GmbH to commercialise APAS® products. LBT's third product WoundVue® is in early development; this is a proposed automated solution to assist in the management of chronic wounds.

CONTACTS

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The 14th **Bioshares**
Biotech
Summit 2018

ASX code: LBT
lbtinnovations.com

LBT Innovations Limited (ASX:LBT)

Topic: The Investment Proposition – Do the Means Justify the End?

Brent Barnes

Chief Executive Officer & Managing Director

Bioshares Biotech Summit 27 – 28 July, 2018

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.

Problems facing our customers -pathology laboratories



Poor resource utilisation

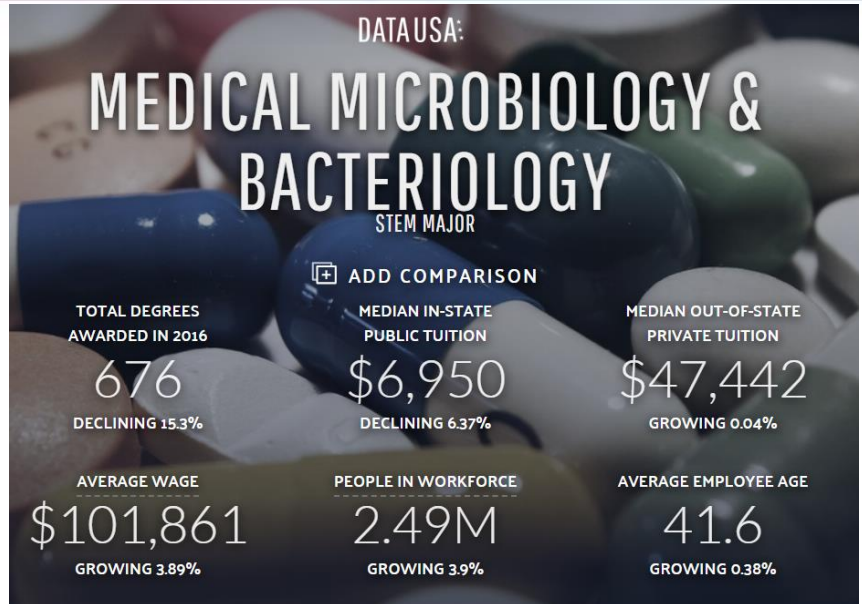
- up to 85% can be negative

Ensuring consistent results

- Known variability in microbiologist plate reading – error rates of 5.5% - 6.6%; over 12% morphology⁴

Increasing staff costs

- Microbiologist Costs AUD\$80,000 - 150,000+



Recruiting Microbiologists

- Average age of microbiologist is 51 (AU)¹, 42 (US)²
- US vacancy rate at any one time is 9%³
- Declining profession / labour shortage

Workplace safety & staff management

- Repetitive Strain Injury in manual processes
- Management: Sick days, annual leave

LBT advantage: AI in medical technology

Delivered capability – First Launch



APAS® Independence
with Urine module

Clinical Trials

- ✓ 10,000 patient global clinical trial conducted in US and AU, reviewed and clearance by FDA

Regulatory

- ✓ FDA: Class II medical device
- ✓ FDA: de novo (first ever) clearance of AI technology for clinical microbiology

Patent Protection

- ✓ 4 patent portfolios to protect the IP of imaging and algorithm

Ongoing Development + Strategy:

- Utilise platform technology
- Extend into new medical applications
- Leveraging developed core capability

Analysis Module for APAS®: Intelligence of the instrument. More modules extend instrument utility and opens new markets.

Additional APAS® analysis (*software*) modules:

- MRSA being developed ~ 10 to 15% of all pathology tests
- Infection control, sputum, faeces

New market opportunities:

- Water, dairy

LBT has delivered clinically proven AI capability in highly regulated environment



Go to Market Partner + Revenue Model

End Customer Pricing



Instrument once off purchase price:

~USD\$300,000

Annual Software License:

~USD\$30K

Annual accessories:

~USD\$1K - \$2K

5 year revenue opportunity

~USD\$0.45m
per instrument

50:50 Joint Venture



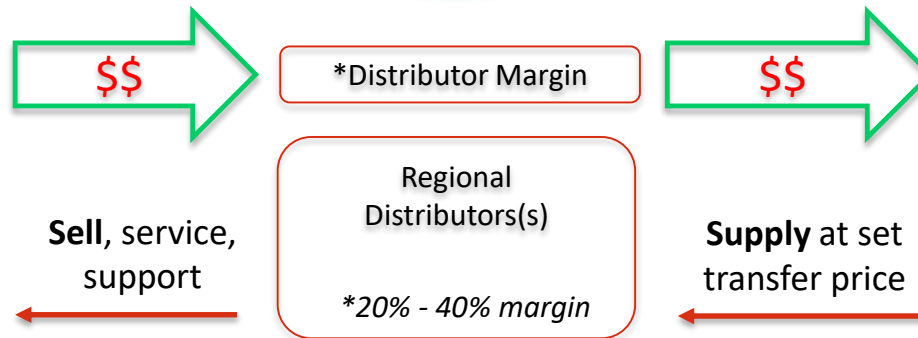
Profits and costs shared



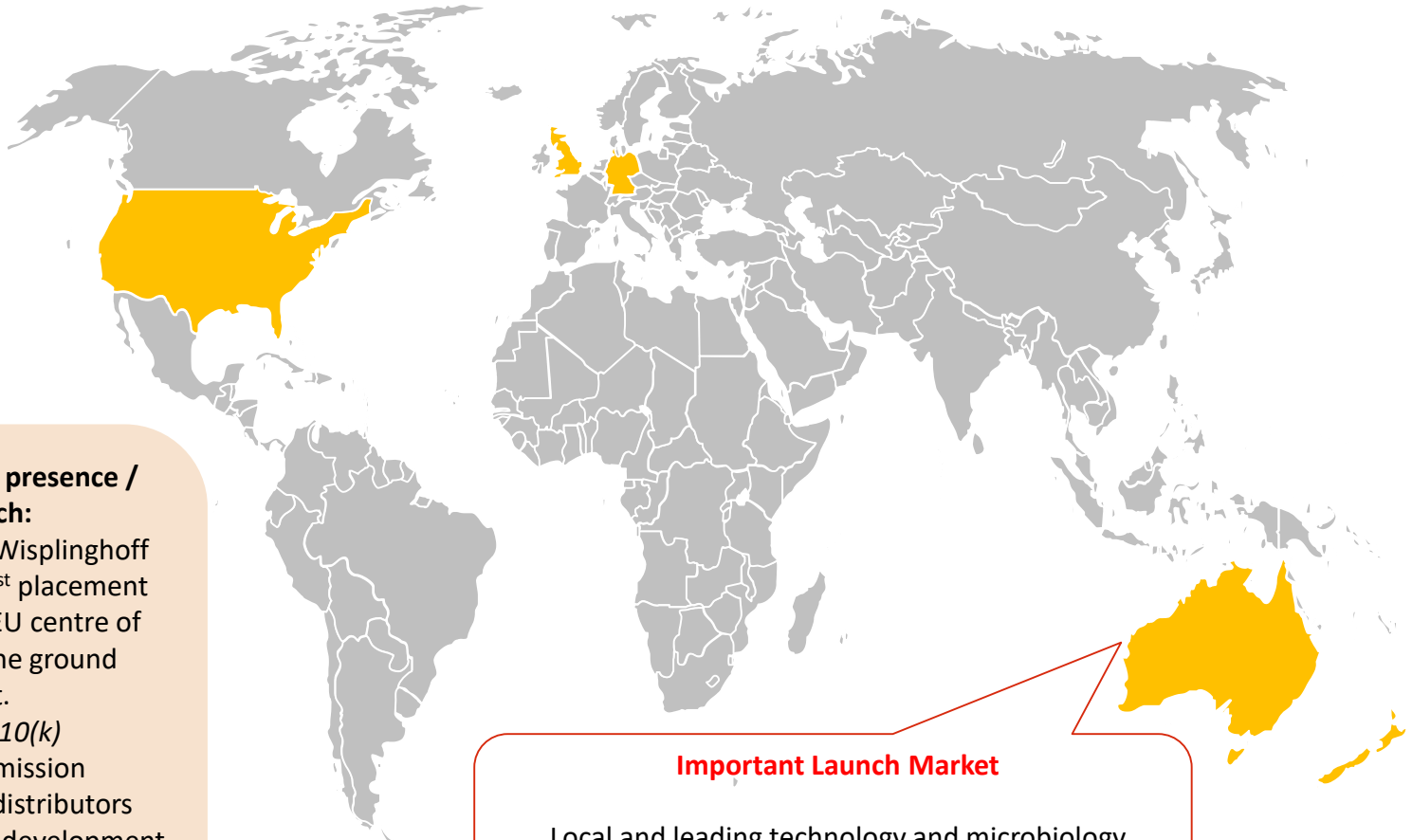
Instrument development



Legal manufacturer of APAS® Independence



2018 Year 1 Launch: Adoption & Footprint for scale



Establishing early presence / soft launch:

- Germany: Labor Wisplinghoff (largest lab DE) 1st placement in EU. Establish EU centre of excellence. On the ground technical support.
- US: pre launch (510(k) *supplement*) submission
- Appointment of distributors
- Analysis module development linked to market access

Important Launch Market

Local and leading technology and microbiology knowledge. Establish training and sales tools which are modelled and tested for expansion into larger markets.



Sales Process – Capex sale & new technology

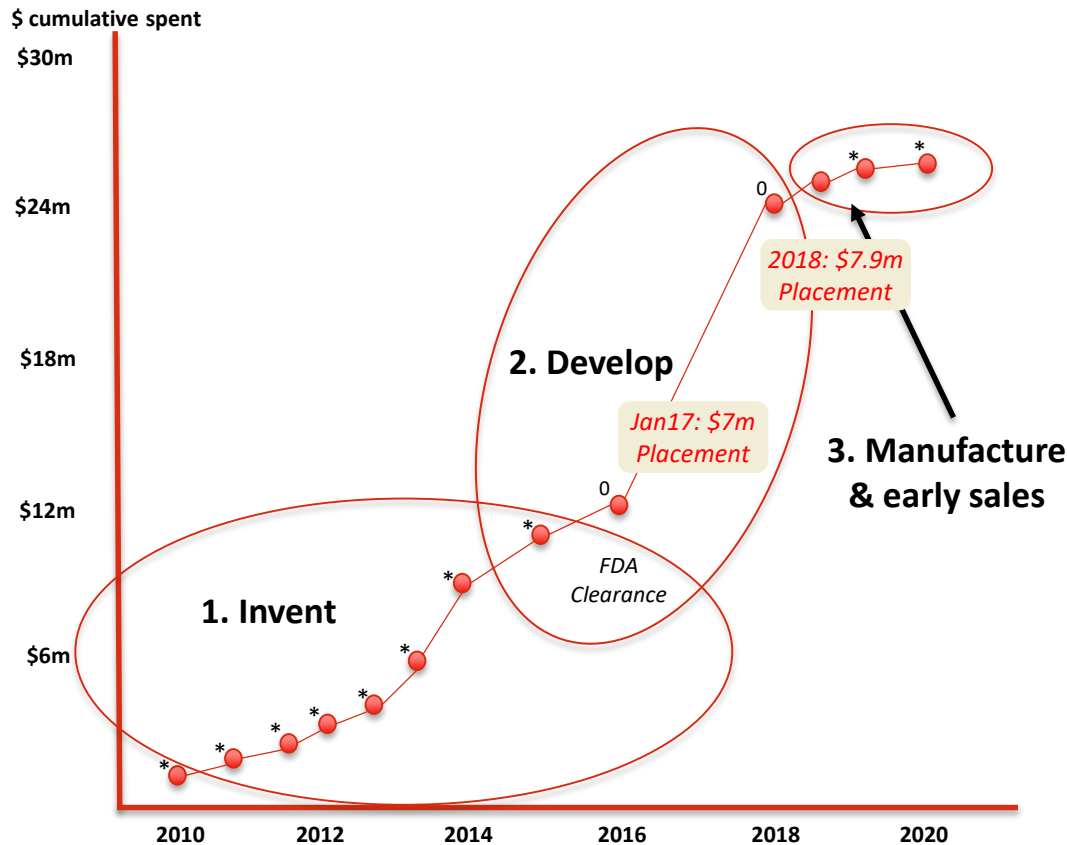
Focus for 2018 is establishing a **global footprint** for APAS® Independence in strategic markets + **distribution partners** and establishing **customer reference labs**

 **sales commence in 2018**  scaling up in 2019 and beyond

- **Building awareness**
 - Increased digital engagement
 - Marketing campaigns
 - Cost justification tool
 - Key global conferences
 - Publications (St. Vincent's evaluation), **Conference Presentations**
- **Evaluation, Distribution and Development**
 - Distributors
 - **First installations** - Labor Dr Wisplinghoff (DE), St Vincent's Hospital Melbourne (AU)
 - **Additional modules**

APAS® Development Evolution and Capital Management

- Invention to Launch - **8 years ~\$24m**
- Commercialisation capital – recently secured > \$10m to reach breakeven in 2 years
- Current research validates the market need and that technology remains unique



Capital Management

Funding the early sales process

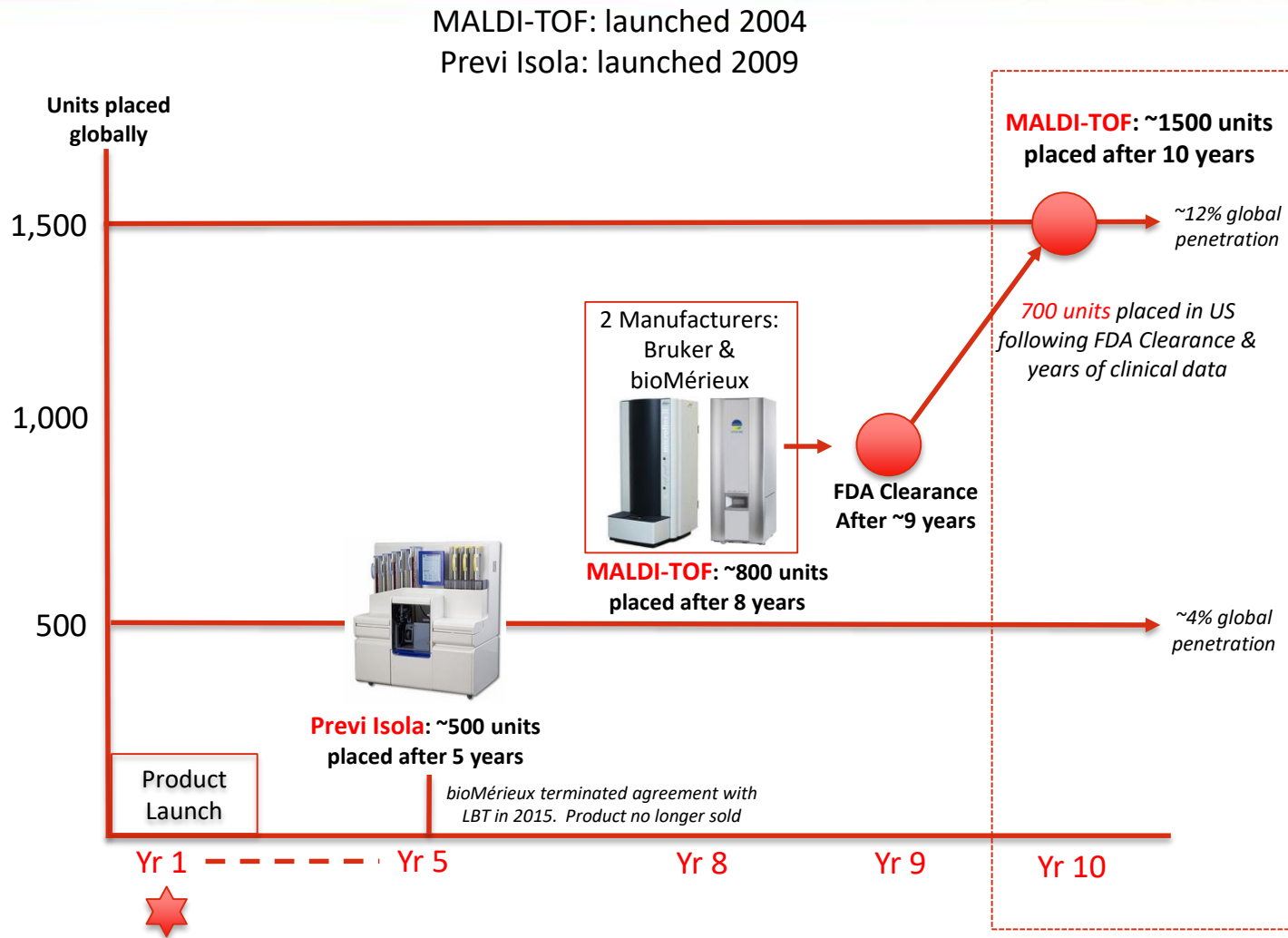
- Cover costs as sales build:
 - Ongoing Module Development
 - 50% of JV operating costs
- Corporate costs

Funding secured early 2018

- \$7.9M placement & SPP
- \$4M SA Gov't loan facility drawdowns available to Dec 19
- LBT fully funded to early 2020 (*estimated break even point*)
- New institutional investors

* Incremental cumulative spend for guidance only
0 Reported

Real Case Study: Similar product uptake in sector



Case Study APAS® Independence:

1,500 units after 10 years

1. Cumulative Instrument sales: ~AUD\$600M

50% flows to LBT (after distributor fees & JV costs)

2. Licence fees, building to: ~AUD\$60M per annum



majority flows to LBT (after distributor fees)



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