



LBT INNOVATIONS

ASX code: LBT
lbtinnovations.com

LBT Innovations Limited (ASX:LBT) Business Overview

Brent Barnes

Chief Executive Officer & Managing Director

October, 2016

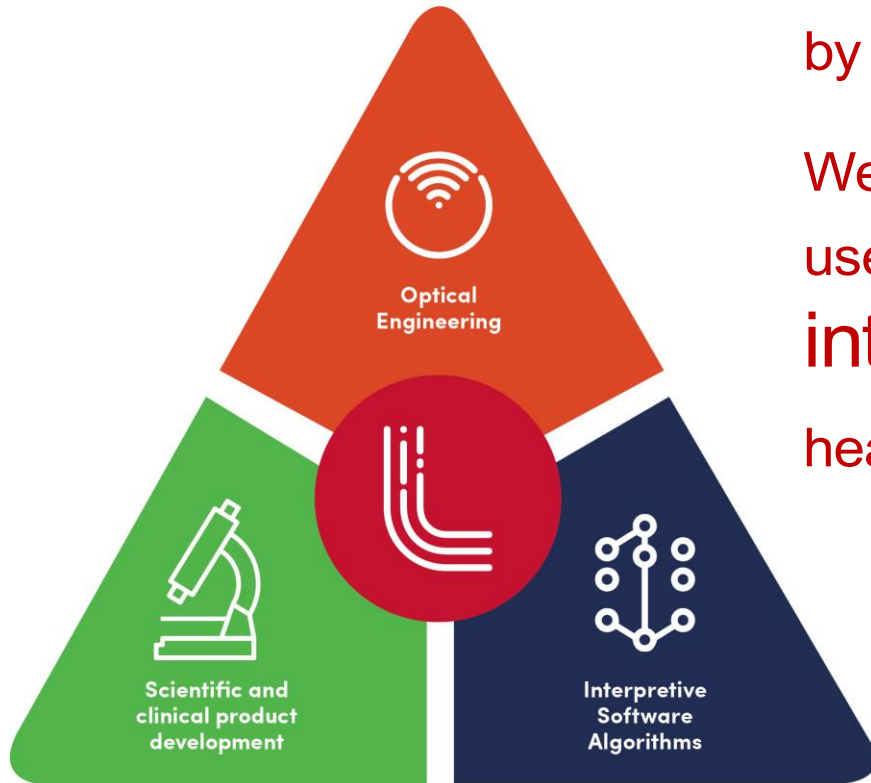
Disclaimer

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.

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.

Key milestone 10th Oct, 2016: US FDA Grants Approval for LBT's APAS®



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.

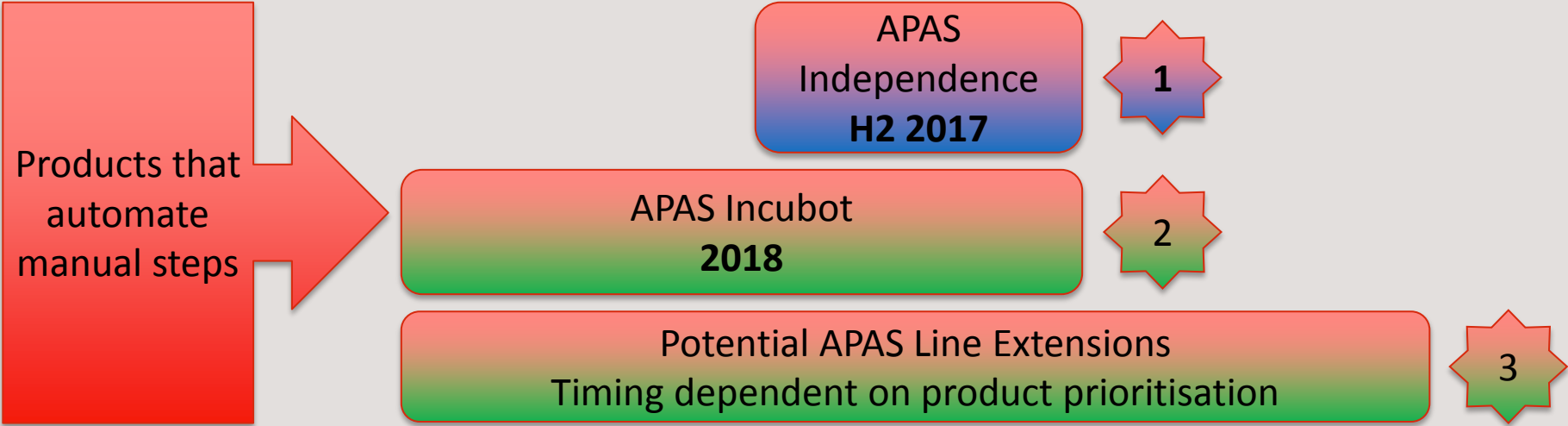
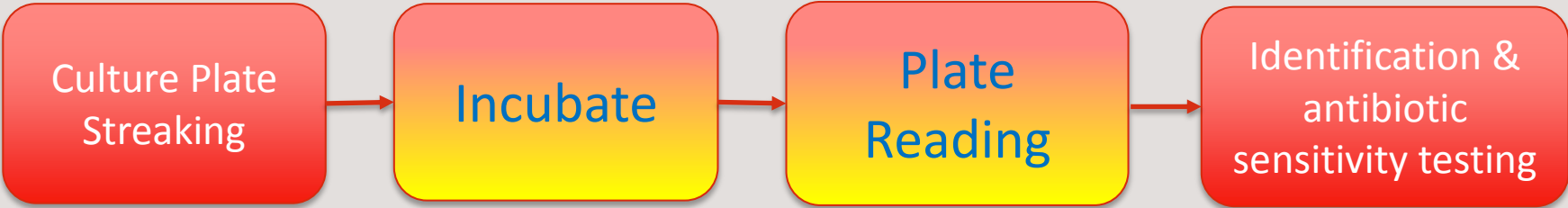
APAS® (Automated Plate Assessment System) is a breakthrough artificial intelligence technology for the automated imaging, image analysis, interpretation and reporting of growth on microbiology culture plates after incubation. APAS® enables the faster diagnosis and reporting of infectious diseases.

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.

APAS Automation: Manual Microbiology Culture Plate Process Flow

Process Steps for Culture Plate Flow



APAS Product 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, offering modular approach;
- **~27,000+** laboratories globally in this target segment.

Current Focus – Commercialisation of APAS

Current Status

- The focus of attention is on completion of laboratory instruments to be integrated with APAS
 - Commercial version of **APAS Independence** will be available within the next 12 months, and expected ready for sale late 2017 following in-lab trials;
 - Design processes under way for second product- **APAS Incubot** an automated incubator and plate reader;
 - LBT Innovations intends to produce the APAS software plug-ins for both instruments.
- In discussions with a international diagnostic companies to form a marketing and distribution alliance;
- Early stage development now underway for further line extensions up and down the microbiology culture plate work flow process.

**APAS Independence first sale, late 2017.
Incubator stock transitioning into becoming a growth stock.**

Revenue Model: APAS[®] Joint Venture Structure

1. Recurring software revenue



2. APAS Instruments



3. Upgrades & Support



Global or
Regional
Distribution
Partner(s)



Joint Venture
50/50



Share of CCS JV
profitability



Develop Software



Manufacture

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

Other Key Areas of Focus

Intelligent Imaging Platform – New product Stream

- Woundvue product progressing through research development following market survey:
 - Positive results from important US market survey;
 - Reimbursement process being carefully assessed;
 - Prototype development to be completed in Q2, 2017.
- Several other Healthcare product opportunities being evaluated.

Organisational capability

- Recruitment of new CEO complete;
- Continuing to leverage Lusia Guthrie through role as Chairman for CCS JV.

Financials – Year Ended June 2016

<u>Profit & Loss</u>	Year Ending June 15	Year Ending June 16
Revenue	\$ 2,367	\$ 7,726
Including License Fees, Upfronts & Milestones	\$ 1,000	\$ -
MicroStreak license fee renegotiation	\$ 846	\$ 7.52
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
Shares on issue (millions)	114.723	114.988
Options on issue (missions)	2.60	3.20

Key Driver in 2015/16

Renegotiation of MicroStreak license with bioMerieux 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.

Anticipated news flow 2016 - 2017

Date	Category	News details
2016	Joint Venture CCS	Observations on Variations in Manual Reading of Cultures, published in Journal of Clinical Microbiology
	Joint Venture CCS	Letter of Intent with global diagnostics company for APAS®
	Imaging Platform	Evaluation of further clinical applications for product pipeline
2017	Joint Venture CCS	Signing of alliance/distribution agreement with global partner(s) for APAS®
	Joint Venture CCS	Market acceptance testing of APAS® lab instruments
	Joint Venture CCS	APAS Product on display at European Congress of Clinical Microbiology and Infectious Diseases in Vienna, Austria (22-25 Apr, 2017)
	MicroStreak®	Signing of license or sale agreement with new partner
	Joint Venture CCS	APAS Independence® first commercial sale by global alliance partner
	Imaging Platform	Woundvue® prototype complete.



LBT Investor Summary October 2016



Key Statistics

Code	ASX:LBT
Listed	ASX 2006
Current Price (12 October 2016)	58.0 cents
52 Week High (12 October 2016)	95.0 cents
52 Week Low (12 October 2016)	9.5 cents
Shares Outstanding (12 October 2016)	115.04 million
Market Cap (12 October 2016)	A\$66.72 million
Net Cash (30 June 2016)	A\$4.68 million
Directors and Senior Management (12 October 2016)	9.0%

- Significant interest in LBT due to FDA Announcement;
- High liquidity;
- Growth stock being realised.

LBT Directors



ROBERT FINDER
CHAIRMAN

Bob Finder has more than 35 years' experience in the international pharmaceutical and chemical industries. He recently retired as Chief Executive Officer of Novozymes GroPep Limited.



BRENT BARNES
CHIEF EXECUTIVE OFFICE AND
MANAGING DIRECTOR

After beginning his career with global defence contractor Thales, Brent spent 11 years gaining broad Senior Executive experience in a variety of roles with Australian medical device manufacturer Cochlea...



CATHERINE COSTELLO
NON-EXECUTIVE DIRECTOR

Kate Costello was in management with a commercial law firm before establishing a management consultancy specialising in corporate governance practices and board performance.



STEPHEN MATHWIN
NON-EXECUTIVE DIRECTOR

Stephen Mathwin has more than 30 years' experience as a legal practitioner, including being a partner with the Adelaide law firm, Kelly & Co, from 1988 to 2001, and currently remains a consultant.



CAROLINE POPPER
NON-EXECUTIVE DIRECTOR

Caroline Popper is a US-based pathologist and business consultant, with more than 20 years' operational experience in the international diagnostics.



DANIEL HILL
CFO & COMPANY SECRETARY

Dan has worked as a director, CFO or company secretary for a variety of companies in the construction, technology and financial services sectors.



Questions?



LBT INNOVATIONS

Brent Barnes

CEO & MD

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Incoming CEO and Managing Director

- Started 8th August, 2016 and Adelaide based;
- Previously Senior Executive with Cochlear Limited (ASX: COH);
 - 11 Years at Cochlear;
 - 4 years based in USA;
 - 4 years Asia Pacific;
 - Global Commercial experience.
- Masters of Project Management (University of Adelaide);
- Graduate of Australian Institute of Company Directors.



Brent Barnes

LBT Innovations Chief Executive Officer and
Managing Director